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Contents

EDITORIAL PARAGRAPHS 273
EDITORIALS:
Devaluate the Dollar—Now! 276
Hitler Wins 277
The Faith of Roosevelt 277
Pleasant Sins 278
ISSUES AND MEN. By Oswald Garrison Villard 279
CAN THE BANKS BE MADE SAFE? By Lawrence Dennis . . 280
PROTECT THE DEPOSITOR. By Norman Hapgood 283
MARXISM—DOGMA OR METHOD, By Sidney Hook 284
WANTED: STRONG MEN AND RADICAL MEASURES. By Paul Y. Anderson 286
THE AMERICAN LEGION VERSUS AMERICA. By Ernest Angell 287
IN THE DRIFTWAY. By the Drifter 289
CORRESPONDENCE 289
CONTRIBUTORS TO THIS ISSUE 290
BOOKS, MUSIC, DRAMA:
Footnote. By Joseph Wood Krutch 291
They Done Him Wrong. By John T. Flynn 291
Ernest Newman's "Wagner." By Elbert Lenrow 292
One More Christian. By Eliseo Vivas 293
Why We Laugh. By Lionel Trilling 293
Towns Should Be Towns. By C. K. Bauer 294
Morals and the Child. By G. C. Convers 294
Shorter Notices 295
Music: "The Emperor Jones." By Arthur Mendel 297
Films: Miscellany. By William Troy 298
Drama: A Genius on Main Street. By Joseph Wood Krutch . . 299

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THE world has not come to an end—even if a system has. A sense of relief and even of exhilaration has been in the air during these last critical days. The reason is obvious. For the moment, at least, uncertainty has yielded to finality. Almost everyone can endure collapse better than the threat of collapse; and drift has for the moment given way to the promise of action. Moreover, we are all in the mess together—except for those Timid Souls, the big and little hoarders, who must take what satisfaction they can from their private caution—and misery in the company of most of one's fellow-men has some of the flavor of a common adventure. In the rumored phrase of Prince Mike Romanov, "a great many people's checks are now as good as those of a great many others." Whether the jolt will in the long run bring us to our senses or merely knock us silly remains to be seen. Meanwhile, we swap stories of the crash and compare possible losses and express our opinion of our erstwhile betters; we await with simian curiosity the distribution of scrip and take satisfaction in the remarkable circumstance that even though the long-heralded "collapse" seems to be upon us, most of us are still alive, the kitchen table is just where it was, and we are still able to scrape together enough substance to buy the last edition and find out what the gods are up to in their mills in Washington.

SENATOR WALSH'S sudden death on the eve of inauguration was a national calamity. The outstanding figure in the newly appointed Roosevelt Cabinet, his nomination was the guaranty of the Administration's integrity of purpose and an augury of its progressivism. Mr. Walsh's public services have by this time been amply rehearsed in the daily press—the press which, as we suggest elsewhere, gave him scant support when he was on the firing line engaged in a desperate battle against public enemies. It is *The Nation's* view that the services of no Senator now living, excepting only those of George W. Norris, have been as valuable as Tom Walsh's. In these days when the tendency is widespread to cite "the times," "conditions," "changing standards," in extenuation of the weaknesses and betrayals both of public servants and of men in high positions of private trust, the record of Thomas J. Walsh offers a shining example of what a public servant in a democracy may be, and what, single-handed, he may achieve.

HOMER CUMMINGS is not another Tom Walsh, and his presence in the Cabinet, whether temporary or permanent, cannot possibly provide that incomparable quality of ruthless, rugged determination and zeal in the public interest. But Cummings has a good deal to recommend him. He is a brilliant court lawyer and was for ten years State's Attorney in Connecticut. In this post he was distinguished for fair and humane methods almost unique in a prosecutor. His conduct of one particular trial—the Israel case—has become famous in court history. The defendant in this case was a homeless Jewish youth, Harold Israel, who was picked up, in possession of a revolver, some days after the murder of a popular Catholic priest in Bridgeport. After several days of questioning Israel confessed to the crime. His confession and a convincing array of circumstantial evidence were ranged against him. But Cummings, the prosecuting attorney, was doubtful. He made a personal investigation of the case and convinced himself of Israel's innocence. Then, in the face of strong public feeling and police pressure, he presented a brilliant argument for the dismissal of the indictment. In his statement to the court he asserted that "it goes without saying that it is just as important for a State's Attorney to use the great powers of his office to protect the innocent as it is to convict the guilty." Recently Mr. Cummings headed a committee which made a notable report urging fundamental changes in the prison system in Connecticut. All of this is encouraging evidence of his public spirit. If any doubt about his qualifications remains, it lurks in the question of his position on vital economic and social problems. His record is bare of concrete evidence. But it may be said in his behalf that Senator Walsh was one of his oldest and closest friends and had invited Mr. Cummings to act as his chief assistant. And it is also worth recalling that before the convention he vigorously supported Mr. Roosevelt as a candidate whose program would be based upon "sympathetic cognizance of the great producing masses of America," and not upon the claims of privilege and the "overlordship of special interests."

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SIR JOHN SIMON, the British Foreign Secretary, is now shedding crocodile tears because other nations have refused to join with England in its arms embargo against China and Japan. He has explained to Parliament that the embargo order may now have to be recalled. Thus Sir John confesses that this "moral gesture" on behalf of peace was simply a diplomatic trick. Under the circumstances it was tantamount to sending the plaintiff as well as the defendant to jail. The smaller Powers at Geneva look upon the machinery of the League as their only protection against the aggression of stronger countries. The Japanese invasion of Manchuria offered an excellent test of this machinery. Japan was fairly tried and fairly convicted. The League then set out to discipline Japan in accordance with the terms of the Covenant. But Sir John upset this program. He took the position, in complete defiance of the Assembly, that both parties to the dispute were "Covenant-breaking states." If the nation aggressed is to be disciplined or penalized along with the aggressor nation, what sort of protection can the smaller Powers expect from the League? Obviously the smaller Powers could not consent to the establishment of such a precedent, and to date they have prevented the League from following Sir John in declaring an embargo against both China and Japan. The United States also refused to follow England. The State Department felt that to declare an embargo against both nations would be equivalent to siding with Japan, for the Japanese now have huge stores of munitions and would not be affected by such an order, while the Chinese have been buying sparingly and so have no large supplies. On the other hand, the department felt that it could not act against Japan alone, for the contrast between the British and American attitude would then have been so striking as to have invited Japanese retaliation. The net effect of Sir John's gesture was to sabotage the program being worked out between Geneva and Washington to call Tokio to account for its deliberate violation of the peace treaties.

JUST HOW do reputable investment bankers differ from "blue-sky artists"? When $100,000,000 worth of Peruvian government bonds were floated in 1927 and 1928 by a syndicate of American bankers headed by J. and W. Seligman and the National City Company, both these sponsors were independently informed by their own experts that the loans were a bad risk. Lawrence Dennis, sent to Peru by J. and W. Seligman as investigator, repeatedly and categorically counseled the firm against them. He definitely predicted their default within five years. Nevertheless, J. and W. Seligman unloaded these bonds on the American public. While the negotiations for the first $15,000,000 loan were in process, the firm made the discovery that, to secure it, $415,000 would have to be paid to Juan Leguía, son of Augusto Leguía, Peru's dictator-president. Close to 1½ per cent of the entire loan was paid to this individual alone, and other "commissions" were paid as well. Henry C. Breck of the Seligman firm testified before the Senate Finance Committee that ½ of 1 per cent would be deemed a high commission, and that the highest the firm had ever paid before was ¼ of 1 per cent. The National City Company's own investigation of Peru produced evidence just as damaging. Victor Schoepperle, one of its vice-presidents, submitted a memorandum before the first loan was floated, declaring Peru to be "an adverse moral and political risk." Just after this flotation, when loans totaling $85,000,000 more were contemplated, J. H. Durrell, another vice-president and overseas manager, painted a thoroughly black picture of Peruvian conditions, including the instability of its government, with "a president surrounded by a group of rascals," and the lack of hope for its economic betterment. The company's representative in Peru, Claude W. Calvin, had reported: "The government treasury is flat on its back and gasping for breath." Other memoranda noted Peru's previous defaults and general bad-debt record. Nevertheless, these securities were floated, with the result which Mr. Dennis had so definitely forecast.

ALL THE PERUVIAN LOANS went into default in the first half of 1931. These bonds, sold to the American public at 96 and 91, are now quoted at 7½ and 4½ respectively. The circulars and newspaper advertisements offering the bonds to the public of course made no mention of the adverse conditions of which these banking firms had been fully informed, but instead painted a favorable picture of the prospects and financial condition of Peru. To be sure, these circulars all carried in tiny type at the bottom the usual qualifying sentences: "The above statements are based on information received . . . from official and other sources. While not guaranteeing them, we believe them to be reliable," and so on. This may safeguard these eminent investment bankers under our extremely defective laws. In England corresponding misrepresentation would mean jail for the banking sponsors. But in this country the investor will have to content himself with their expressions of regret and confession of "honest error"—after exposure. For further comfort he may recall the old rhyme:

> A very delectable crocodile,
> Who sat on the banks of the River Nile
> And walled up his eyes,
> With a look of woe,
> As his tears fell fast
> In the stream below.
> "I'm mourning," said he,
> "The very sad fate,
> Of those poor little fish
> Which just now I ate."

THE TENDER SILENCE preserved editorially by the press concerning the National City Bank officials, discussed in these columns last week, ended when Mr. Mitchell and Mr. Baker resigned. The *Herald Tribune* felt that "such errors of judgment as Mr. Mitchell has revealed . . . are undoubtedly the defects of his qualities." But the New York *Times* discovered—a week after the revelations had begun—that "the resignation of Charles E. Mitchell was inevitable." "No banking institution," continued Mr. Ochs's paper, "could afford even to appear to approve or condone the transactions . . . there is no safety for anybody, and banks will fall into merited disrepute and distrust if deposits are not regarded as a sacred trust, not as material for reckless speculation." "Not frozen assets, but frozen confidence," concluded the *Times*, "is what is hurting the banks most." Brave words, these, but uttered, oh, how tardily! When has the *Times* spoken out vigorously against the record which it now declares "even in the years before the crash of 1929" was "humiliating and even shameful." The proverbial ounce of

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editorial prevention has been conspicuously lacking from the *Times's* columns. Its blame and its praise are a bit belated. On March 3, in a glowing and unqualified editorial eulogy to the late Senator Thomas J. Walsh, it paid tribute to "his unflinching courage, his unflagging labor, his unblemished honor, his illuminative explanations, his implacable logic, his perfection as a cross-examiner"—these last in comment on his investigation of the Fall-Doheny-Sinclair attempt to alienate the naval oil reserves. But what was the attitude of the New York *Times* when Senator Walsh was trying to track down the malefactors in government and high finance who were responsible for this corruption? It never gave support to his efforts. In one single editorial (December 9, 1924) it referred to Senator Walsh's "already a little faded glories in the oil investigation," his "childlike innocence," his "artless manner," his "gossamer assumptions."

WE ARE PASSING through the darkest winter the workers of this country have ever known. Unemployment has been increasing every week, until today there are probably no fewer than 14,000,000 men and women out of work. Of want and hunger there is seemingly no end. Yet Congress, which sat through three months of this extremely critical period, adjourned without having voted a single additional penny for unemployment relief. It took no action whatever on the La Follette-Costigan bill, which would have provided $500,000,000 to be given outright to the States for relief of the jobless and destitute. It allowed even the far less adequate Wagner bill to die in the House. The Wagner measure would have appropriated another $300,000,000 to be advanced to the States in the form of R. F. C. loans. While the conservative Democrats are primarily to blame for this failure, Senators La Follette and Costigan and other advocates of direct federal relief were too patient, too generous in their efforts to bargain with the obstructionists in Congress. The unemployment crisis would not wait upon such patience. Senators Costigan and La Follette should have forced the issue. They should have compelled every member of Congress to declare himself on the question of feeding or starving the unemployed. In the face of the widespread hunger very few Congressmen would have dared to oppose this relatively modest federal relief bill. We understand that President Roosevelt intends to incorporate the La Follette-Costigan plan in his general relief program. We hope that this is true and that positive action will be taken early in the special session. Every day that relief is delayed, more men, women, and children go without food and clothing, shelter and medical attention.

"THIS HOUSE will, under no circumstances, fight for its king and country." In these unequivocal words the Oxford Union, famous debating society of Oxford University, registered its pacifism by a vote of 275 to 153 on February 9, and set all England by the ears. The "Thunderer" was able to contain itself and dismissed the Union's vote as the "Children's Hour"; but the letter columns of the other conservative papers were filled with the laments of old Oxonians who had lived to see the day; and shouts of communism, internationalism, and cowards split the English air. On February 16 a group of green-shirted fascist undergraduates invaded the hall of the Union while a meeting was in progress and tore from the minute book the pages recording what one of them called the "intolerably foul motion"; at the same meeting the president announced the arrival of two consignments, each containing 275 white feathers, or two apiece for the pacifist voters. Did the pacifists retreat? They did not. Instead, they accepted and wore the white feathers. And the fate of the British Empire was officially sealed at a riotous meeting on March 2, during which stench bombs were thrown, when the Union, on a motion to expunge the offending resolution from the records, reaffirmed its pacifism by a vote of 750 to 138. The Manchester University Union on March 3 adopted the same resolution by 371 to 196.

STUDENT VOTES on the most popular this and that are not generally news, but when the seniors of Manhattan College designate "Ann Vickers" as their favorite novel of the year, the fact deserves a headline. Manhattan College, it must be remembered, is a leading Catholic institution which numbers Cardinals Hayes and Mundelein among its graduates; and when one considers this in connection with the fact that the Catholic weekly *America* has recently in its anti-"smut" campaign singled out Sinclair Lewis as a particularly corrupt and corrupting writer whose works should be suppressed, one begins to question the boasted Catholic ability to mold the minds of its charges. Even that, however, is not all, for the heroine of this favorite novel enjoys various unblessed unions, including one with a Tammany politician, and she passionately justifies the abortion of an infant conceived as the result of another episode with a Jewish radical. None of the other student choices is quite so striking, but the selection of P. G. Wodehouse as the favorite writer and of Jack Pearl as the favorite comedian does seem to indicate that the intellectual and aesthetic tastes of these Catholic students are not much above those of students at, let us say, Harvard or Princeton. We believe that these election returns give us the right to reply to *America* with a phrase familiar to all Catholics of sound classical training: Physician, heal thyself!

IT IS ALWAYS A TRAGEDY when a gallant figure among those believing in and working for a better world falls by the wayside, but the loss is more bitter when it occurs in a time of exceptional crisis like the present. It is thus, at least, that we feel about the death of Forrest Bailey, until recently codirector of the American Civil Liberties Union. He was obliged to withdraw from active work almost a year ago on account of impaired health. A paralytic stroke made recovery impossible, although he bore up for many months with remarkable fortitude and cheerfulness. Mr. Bailey's early manhood was spent in his native California, but nearly a decade ago a passion for the fundamental freedoms led him into the American Civil Liberties Union, where his painstaking and intelligent work did much to establish the reputation of that organization for dependability and non-partisanship. He helped to organize the defense of John Scopes—attacked for teaching evolution in Tennessee—and was active in behalf of Sacco and Vanzetti, the Gastonia textile workers, and the Kentucky coal miners. Hatred of sham and pretense was an outstanding characteristic of Mr. Bailey. He despised weasel words in others and scorned to use them himself. His personal relations were tempered with thoughtful kindliness and a catholic sense of humor. A remarkable absence of self-seeking in his work and life will not blind others to its value.

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Devaluate the Dollar—Now

NOW that we have been forced temporarily to close the nation's banks and suspend gold payments, there is no longer any reason for discussing anything less than radical and thoroughgoing reforms in our banking and currency system. *The Nation* recommends these immediate steps:

1. The devaluation of the dollar. The President's bank proclamation suspending gold payments for a few days has taken us at least technically off the gold basis. It is impossible to see how unrestricted conversion of currency into gold can again be permitted. The President should continue the temporary suspension of gold payments, and arrange to have the forthcoming World Economic Conference called at the earliest possible moment. At that conference the United States should urge a uniform devaluation of world currencies by approximately 50 per cent. The only variations permitted should be those necessary to establish either a single international unit or to make one unit an even multiple of the other. The United States should announce in advance, however, that if it cannot secure world cooperation and uniform reduction, it will act alone to devaluate the dollar by 50 per cent and resume gold bullion conversion on that basis within one year.

2. Congress should pass immediately a constitutional amendment abolishing State banks and compelling all banks to operate under national charters. Our banking system must be transferred from forty-nine controls to one control.

3. If these steps are taken, the immediate currency situation can doubtless be successfully met by the issuance of clearing-house certificates. Wherever the problem is one of mere liquidity, these certificates can be acceptable at 100 cents on the dollar. Wherever banks are not merely illiquid but insolvent, their certificates should be honored only to the extent of 80, 60, or 40 per cent, as the clearing-house committees working in collaboration with bank examiners may decide.

4. There should be no attempt whatever on the part of the government to guarantee bank deposits. Such an attempt would be perilous to the government's finances even under the most favorable circumstances. With a large number of banks insolvent, and with no real control by the federal government over the individual loans of national banks and no control whatever over the policies of State banks, any attempt to guarantee deposits would be disastrous.

5. There should be an end to bank holidays and bank moratoriums.

Other measures will have to be taken later, but these represent a minimum program for immediate action.

The Nation a year ago, in the issues of March 30 and April 6, 1932, published two articles by Henry Hazlitt recommending the devaluation of the dollar. Two considerations have hitherto stood in the way of a persistent advocacy of that course. The first was the remote hope that the crisis would be mitigated by less drastic measures—an adjustment of the war debts, for example, and a reduction of world tariff barriers, particularly our own. The second was the certainty that serious discussion of devaluation by Congress, while gold was still being freely paid out by the Reserve banks, would precipitate a gold raid that would in itself throw us off the gold basis and perhaps leave us with insufficient gold even to maintain a devaluated dollar. But nothing has been done to mitigate the crisis, the inevitable collapse of confidence has followed, and as the temporary suspension of gold payments has already occurred, devaluation can be discussed without fear of a further gold drain.

If gold payments continue to be suspended or drastically restricted, as seems altogether probable, opinion will divide broadly into two schools of thought. One school will hold that we must inflexibly maintain or return to gold payments at the old parity of the dollar. The other school will rejoice that we are free of our gold shackles and will be content to drift along on a paper basis, fondly imagining that the value of this paper can be "managed" by the Federal Reserve Board by controlling its quantity, and that its quantity will be controllable.

The recommendations of both schools of thought must be rejected. We have maintained the dollar at the old gold parity only at the cost of bringing down our banking structure. Adequate and uniform debt, interest, rent, and wage adjustments to the violent and unparalleled drop in wholesale prices since 1928 have not been and cannot be made. The attempt to make them has merely brought about further disorganization and deflation. Adjustment can be obtained only by doubling the price level, bringing it approximately to that prevailing in 1928; and there is only one dependable way to do this—to cut the measuring rod, the dollar of 25.8 grains of gold, in half.

On the other hand, we cannot have stability and relative certainty, we cannot control inflation, we cannot have as much depreciation in the currency as we want and no more, we cannot have external stability for currencies and a free flow of world trade, unless we continue to make currency redeemable in some standard internationally acceptable; and gold continues to be by far the most satisfactory—or least unsatisfactory—standard for this purpose. If we could secure international agreement for a uniform devaluation, then no country would be repudiating any part of its obligations to another, and we could help to secure the prompt return of Great Britain and her financial satellite countries to a gold basis on which world trade could be resumed. The internal problem of American contracts payable in gold could be met by placing a tax on gold payments, deductible at the source, somewhat higher than the percentage of devaluation.

The need to have all our banks under one national control has always been apparent. Continuance of the present system is now shown to be intolerable. Under it banks are subject to forty-nine different laws, while State and federal governments are both powerless to establish adequate regulations for fear that recalcitrant banks will shift from federal to State charters or vice versa. It should no longer be possible, moreover, for any panicky or ill-advised governor to take an action affecting the banks of his own State that will lead to a spread of panic throughout the country. State legislatures will recognize this now if ever.

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Of all ways of dealing with a banking crisis, the bank holiday or moratorium, or the general restriction of withdrawals, is the very worst. If depositors feel that in a short time they will not be able to draw freely on their bank deposits, they will naturally wish to draw out everything immediately. If they have been prevented from withdrawing by a holiday, they will want to withdraw everything as soon as the holiday has ended. If their withdrawals are restricted, they will tend to draw up to the maximum allowed under the restrictions. A banking crisis can be met only by permitting solvent but illiquid banks to make payments in certificates or scrip; and by either closing insolvent banks entirely or, as the new New York State law provides, permitting the free withdrawal of a certain percentage of the old deposits, the issuance of interest-bearing transferable certificates for the remainder, and the entirely free withdrawal of new deposits.

Finally, there is no denying the fact that the intense feeling of outrage in regard to banks and bankers which has swept over the whole country, intensified by the National City Bank revelations, but due chiefly to the banking breakdown, will make inevitable a widespread demand for the complete nationalization of banking.

Hitler Wins

BY adding no less than 5,528,000 to his previous vote, and with the aid of his Hugenberg Nationalist allies, whose vote actually decreased, Adolf Hitler is firmly established in the chancellorship and can now wreak his will upon what is left of the German Republic. He has achieved his goal, and the only redeeming feature of this disaster to the democratic and liberal movements in his country is that he has won the chancellorship by constitutional methods without resorting to violence. The constitution was respected in form, but as a matter of fact it was breached at many points. The terrorization of the voters, the wholesale suppression of the Socialist and Communist press, the arrest of the leading Communists, the raids upon the chief Jewish defense organizations—all these made Hitler's victory sure. Indeed, it is remarkable that in the face of this the Communist vote decreased by only 1,132,000 and the Social Democrat by but 135,000. None the less, the battle for democracy is lost. Herr Hitler will unquestionably unseat the Communists by *force majeure* and fraud, thereby obtaining the necessary two-thirds' majority to send the Reichstag home.

And so another fascist dictatorship arises, to remind Americans of the complete failure of our "victory" in the World War to achieve the ends we set ourselves. The world safe for democracy? Democracy perishes in Germany and those in control of her destiny not only represent, in part at least, the most odious forms of big-business and large-landowner control as they existed during the regime of the Kaiser, but are committed to universal military service, rearmament, and every one of the forms of militarism against which Mr. Wilson called all Americans to fight. The only thing lacking to complete the picture is the restoration of the monarchy; that that is not now in sight is largely because of the personal unpopularity of the former Kaiser and the former Crown Prince. But even without that prospect, Germany faces autocratic one-man rule modeled on that of Mussolini.

The road will not be easy for Hitler even after he has taken all the power into his hands. In the first place, the man himself is incompetent to lead, for he is totally ignorant of economic and financial questions. Whether he will permit himself to be guided by the reactionary hold-overs from the Von Papen and Von Schleicher Cabinets, who form a majority of his own, remains to be seen; he now represents 17,265,000 votes, and the Nationalists but 3,132,000—they actually lost 103,000 votes. He may therefore decline to let the tail wag the dog. Already the Hitler campaign has checked the upward movement in German industry. The agrarian situation is worse than ever, the last doses of high tariffs having naturally failed to bring prosperity to the farmers. If the economic tide runs again, however, in the direction of prosperity, if Hitler can find work for some unemployed, the number of whom is still mounting, he may satisfy the populace for a long time to come. But if even a year hence the economic situation of the country is no better—or is worse—it may be impossible for him to hold together the deluded masses who have looked upon him as a veritable savior. He has promised to lead them out of the wilderness, and if he does not do it, the disillusioned, desperate people will—if they can—turn to someone else. Such desertions he will undoubtedly try to combat by violence, by rewriting the constitution to suit his own purposes, as well as by practically abolishing the Reichstag and using all the instruments of propaganda as he did during the last campaign. That he will stay his hand is unthinkable. The very fact that he has carried the heretofore impregnable citadel of Bavaria, and that he has swept Prussia and completely dominates the Prussian Diet, will encourage him to smash democratic and representative institutions just as rapidly as he can. In the last analysis it will come down to a question whether the German people will permit themselves to be cowed or will rise against the most unprincipled demagogue yet to curse Germany.

By sheer ruthlessness and brutality even an incompetent dictator can hold himself in office a long time; that the policy of the Hitlerites will be "brutal" to the Communists and Social Democrats has been officially stated by one of Hitler's lieutenants. As for the Jews, they are profoundly to be pitied. Hitler may not actually resort to pogroms, as he and his men have promised that they would; he has yet to make good his boast that when he took office "heads would roll in the sand." But in the months, and perhaps the years, to come the Jews will live as marked persons, fearing the loss of their citizenship—also decreed by the Hitler platform—and facing persecution, prejudice, and personal violence. Leave Germany they cannot, unless permission is given to them by the government—even Switzerland has just increased its frontier guards to prevent those in terror of the Nazis from seeking that historic asylum which was so readily and happily granted to the revolutionists of 1848. As for the labor unions, they lost their opportunity to check this movement a long time ago, and they are now weakened and frightened. Altogether the spectacle of Germany is one to make the gods weep. It is, of course, at bottom due to the folly and the wickedness of the Treaty of Versailles. But this does not alter the fact that Germany has now become one of the danger spots of Europe, a source of unrest and international anxiety, and perhaps another threat of war.

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The Faith of Roosevelt

ON the very day which marked the ending of an epoch President Roosevelt delivered his inaugural. Never in our national history has there been so dramatic a coincidence as this simultaneous transfer of power and the complete collapse of a system and of a philosophy. At that zero hour Mr. Roosevelt's words had something of the challenge, the symbolism, and the simplicity of a trumpet blast. After a clear presentation of our plight and of the evident truth that it "comes from no failure of substance," he properly indicted "the rulers of the exchange of mankind's goods" for their "incompetence," for their lack of vision, for their "false leadership," for the futility of their efforts "cast in the pattern of an outworn tradition," and delivered this verbal scourging: "The money changers have fled from their high seats in the temple of our civilization."

And then this exposition of his new faith: "We may now restore that temple to the ancient truths. The measure of the restoration lies in the extent to which we apply social values more noble than mere monetary profit. Happiness lies not in the mere possession of money; it lies in the joy of achievement and in the thrill of creative effort." And after decrying "the falsity of material wealth as the standard of success," and demanding "an end to a conduct in banking and in business which too often has given to a sacred truth the likeness of callous and selfish wrongdoing," the President observed: "Small wonder that confidence languishes, for it thrives only on honesty, on honor, on the sacredness of obligations, on faithful protection, on unselfish performance."

Good, Mr. President! There is a declaration of principle which all Americans who cherish what is noblest in our traditions will applaud, a standard to which they may repair. It was perhaps inevitable that this first message of the nation's new leader should be cast in general terms. The crisis was too acute, the cumulation of unexpected events too pressing, to make possible the presentation of a detailed program, even had the time and place warranted it. But the assertion that our greatest primary task is to "put people to work," and that "it is no unsolvable problem," provides a formula which, if materialized with the utmost speed and determination, will mark March 4 as the true bottom to which our nation has sunk, economically, socially, spiritually.

There are those who will view the President's message as empty verbiage, will disparage it as not fundamental, as an attempt to invoke "ancient truths" in the same message which decries "exhortations" and the following of "an outworn tradition." We prefer to believe at this moment that Mr. Roosevelt has come to understand that the changed times demand a new technique and a basically new approach to the problems of society, and that his words are implicit with that knowledge. He cannot very well put "an end to speculation with other people's money" without changing drastically at certain points the profit system which, through the excesses and perversions of the recent past, has created the greatest disaster in our history.

To achieve "social values more noble than mere monetary profit," to "keep the money changers permanently out of the temple of our civilization" (incidentally, it would be well to search them as they pass out) would be to transform America. It would, of course, be a transformation in terms of the third decade of the twentieth century, in terms of an industrial and highly complex civilization, but directed toward a goal such as Jefferson envisaged—a democracy based on full economic, as well as political, equality. It would be a transformation into what this country might have been, and what, given the right kind of leadership, it may still be. The nation will eagerly await Mr. Roosevelt's fulfilment of these pledges.

Pleasant Sins

THE prisoners in Alimony Row have found a friend at last. Only a few days ago Supreme Court Justice Paul Bonynge ordered the release of one Umberto Politano, and at the same time handed down a decision which may some day be regarded as the divorcé's bill of rights. Politano, an illiterate bricklayer, had already served two years and seven months for the crime of having lost his job. Under our present laws there is no reason why he should not have spent the rest of his life in jail, and it is amazing that we should have had to wait until now to find a judge who would effectively protest against the monstrous law which keeps a man confined until he pays a debt which the confinement itself makes it impossible to pay. Commenting upon the custom of sentencing such delinquents for contempt of court, Justice Bonynge remarked:

> If an intruder disturbs the serenity of a courtroom by disorderly or insolent behavior, or interrupts the proceedings of the court, or wilfully resists a lawful mandate, the limits of judicial displeasure are circumscribed by statute to a jail sentence of thirty days and a fine of $250. However, let a waspish woman pluck the sleeve of the judicial gown, or nudge the elbow concealed therein, and this temperate restraint is immediately cast aside, and the delinquent spouse faces the possibility of unending imprisonment through successive adjudications of contempt.

Unfortunately, however, Justice Boynge did not take time to ask why this cruel absurdity should have found and held its place in our legal system. Many years ago the injustice and folly of imprisonment for debt of any other kind was recognized, but the common sense which abolished the ordinary debtors' prison stopped short of the alimony jail—just as common sense usually stops short of those things which are somehow held "sacred." The crime of the man who does not, or cannot, pay his alimony is a crime vaguely associated with sexual misbehavior, and sexual irregularities are set apart to be treated with a severity otherwise unknown in civilized states. The sexually guilty man is surrounded by an infernal aura which neither mercy nor ordinary sense can dispel.

We punish with the greatest severity those forbidden sins which, consciously or unconsciously, we ourselves should most like to indulge. Perhaps, as the elder Samuel Butler said, we also "compound for sins we are inclined to by damning those we have no mind to," but the truth proclaimed by the Freudian psychology is a newer and profounder truth. The sins we *are* inclined to are the ones we damn most vigorously. Show us a judge intolerant of divorce and conspicuously severe upon victims of the alimony racket and we will show you one not too satisfied with his own wife.

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Issues and Men

James H. Perkins and the National City Bank

NOBODY could possibly envy James H. Perkins, the new head of the National City Bank. There has been dumped upon him a mess which was once a great banking institution. He has not been in the bank, or connected, I believe, with the affiliated National City Company, but has been devoting his time to the Farmers Trust, another part of the aggregation. I doubt if he knows very much about the inside of the bank, and I do not believe he is going to have many happy days as he finds out some of the inside conditions, such as were illustrated again last week by the discovery of a loan of $10,200 to the general manager of the Port of New York Authority about six weeks after the National City Company had underwritten an issue of $66,000,000 of Port Authority bonds. As usual, when friends were taken care of, no security was required, no indorsers obtained, and no interest collected. Of course this was not a bribe, or a bid for future business from the Port Authority. Heaven forbid! It was just a generous kindly act to take care of a good man who happened to be in a jam. Why not give him $10,200 of the stockholders' money and overlook such matters as collateral and interest? That's the way to make friends for the bank! Judging by the reputation which Mr. Perkins has borne in the past this sort of thing will make him extremely uncomfortable. He has a man-sized job if he is really going to clean out the Augean stables which he took over from Mr. Mitchell. But I hope that he has no illusion as to one thing: he cannot restore the bank to the position it should hold in public confidence until he makes a clean sweep. He may not wish to do it now; he may not, in fact, be able to do it until he really sizes up the situation, but if he wishes to win the battle that is before him he can win it only by acts which will demonstrate to the public that he proposes to make the institution as clean as a hound's tooth. These include the removal of Mr. Rentschler as president and the retirement of those directors who were so kind-hearted and generous as to make a loan of $2,400,000 of the stockholders' money to the officers who were loaded up with bank stock and have to this date repaid only 5 per cent of the loan made to them.

Whenever a journalist or a reformer or an honest legislator uncovers a bit of rascality he is always accused of "rocking the boat" and doing his bit of necessary muckraking at precisely the wrong time. In my long years of journalistic service I have never yet blazed away at a bit of capitalistic wrongdoing without being sent for, or waited upon, by some Wall Street magnate who pointed out to me, with much condescension and great pity for my shortsightedness, that I was doing a lot of unnecessary damage by putting a searchlight on the wrongdoers and demanding the punishment of the guilty. The arguments always run thus: (1) The misconduct took place some time ago and therefore is a matter of the past; (2) the guilty men have already resigned or been adequately punished by public opinion; (3) the new management is honest and will do its best to clean house; (4) it cannot do this overnight and it should not be pestered into hasty action; (5) by harping on the matter public confidence in all important fiduciary matters will be further shaken, thereby creating a dangerous situation; and (6) who are you anyway to set yourself up as a censor, and venture to tell people how they shall run their affairs in which they are competent and you are not? These were the arguments that were used at the time of the unveiling by Charles E. Hughes of the insurance wrongdoing, an achievement which set Mr. Hughes upon the career that nearly put him into the White House, and landed him, whiskers and all, in the Chief Justiceship. That these time-honored arguments have, in this case, been effective in shackling the editorial writers was proved in last week's *Nation*. Even Walter Lippmann is silent.

I have personally experienced this pressure during the last week in connection with my public demand for the resignation of Gordon Rentschler, the president of the National City Bank, and those of its directors who by their votes approved the lending of $2,400,000 to the higher officials of the bank. It has been pointed out to me that the banking situation is so critical that I should follow the example of the other editors and keep silent about the misdeeds of Mr. Mitchell and his associates. In fact, I have found the Wall Street world far more critical of the Senate committee which brought about the exposure at this time than of the delinquents. It has "rocked the boat." I suppose Mr. Mitchell should have been allowed to go on as chairman of the board which is running the bank. Of course it comes down to an honest difference of opinion. My theory has always been that it is much the best to open up such a sore and let the public see that all its contents are removed, and the wound sterilized. The other theory is that you should hush it all up so that nobody knows that the doctors were operating or what the result has been, and trust that the public will have forgotten the whole matter when times are really "propitious" for ventilating the ills. That would mean, of course, that they would never be ventilated.

Now the fact is that Wall Street has not got much time left to set its house in order. Why talk about rocking the boat? It has sunk. This Mitchell case is not the only one. We have had chapter after chapter, as the files of *The Nation* attest. The West is ready now for the most drastic kind of anti-Wall Street action. It would not astonish me at all if before long we should read proposals for government control and management of all our banking institutions. Russia has it. The German government dominates or owns 60 per cent of its banking institutions. Why, it will be asked, can the United States not take over the whole business once and for all? The editor of the Tulsa, Oklahoma, *Tribune*, Richard Lloyd Jones, asks me why we cannot "kill the Wall Street octopus? It sucks the substance out of the industrial life of every State in the nation."

Oswald Garrison Villard

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Can the Banks Be Made Safe?*

By LAWRENCE DENNIS

DEFLATION takes the final count. The nation-wide credit collapse of March 4 was the inevitable culmination of a 50 per cent shrinkage in economic production since 1929. Three years of sound finance had reduced bank loans and deposits—and employment—by about a third. Earnings, the only true measure of worth of bank assets, had suffered an even greater decline. Prudent bankers had preferred short-term government bills paying ½ of 1 per cent to loans to finance employment. (Production was unprofitable.) But once the public showed banker prudence by preferring gold and currency to insecure deposits, the moratorium was declared overnight. Depositors must now suffer as well as the unemployed. A scaling down of bank deposits and a devaluation of the dollar will doubtless mark the country's awakening from the nightmare of keeping the dollar sound and the nation's industries idle.

Can savings and a fair return thereon be made safe under our present system? Not only does the system not give the workers security in a job, but the thrifty cannot be sure that the savings of their productive years will be available for use in old age or an emergency. Are these conditions inevitable under the present economic system or are they avoidable? Do all savings and investment constitute a gamble on the future course of uncontrollable economic events?

It is commonly assumed that there must be a moral right and a possible way to conserve savings and at the same time to receive what some people pietistically term a fair return on them. The fair return, be it noted, means all you can get in a free, competitive capital market without using fraud, violence, or special advantages in ways forbidden by law. The fair return cannot be predetermined, because it must be fixed by innumerable factors which could be controlled only under a regime which admitted of little or no freedom of contract. But debtors promise a fixed return. Then debtor farmers are evicted from their homes by due process of law for failing to keep a promise which no one should have a right to make, granted everyone's inability to control the factors which condition fulfilment. An interest-bearing loan, by reason of the unpredictability of future economic events, is, of necessity, a gambling operation.

Thinking on this problem is confused by the assumption, which may be correct, that during the brief hundred-year period of frontier and industrial growth the average investor conserved his savings and netted a small return. But the experience of so brief and exceptional an era in the history of mankind establishes no rule that interest is permanently obtainable. Nor does it admit interest to the family of decent social institutions. Nevertheless, the investor who in 1928 wanted 6 to 8 per cent on bonds and 4 to 6 per cent on bank deposits now feels a moral grievance against the bankers who sold him what he wanted, which is now in default. Of course the basic error lay in the public's concept of a banker. The thrifty, who conceived the banker to be a professional public servant charged with the social duty of administering finance, paying 6 per cent, and preventing hard times, have had a rude awakening. They should have read Jesus, Aristotle, Saint Thomas Aquinas, or John Maynard Keynes on the subject of interest instead of the modern prophets of Mammon. Aristotle, the Roman Catholic church, and the Jewish books of the law, to cite only three reputable exponents of ethical concepts, have denounced all interest as usury and as morally wrong. Some people whose ethical concepts are derived from earlier sources than Bruce Barton find the current moral indignation over the failure of the money changers about as justifiable as that of a man who has been cleaned out by a legally operated Monte Carlo. It is impossible to make usury safe or wholesome for democracy.

Passing from ethics to practice, let us consider honestly whether bank failures and investment losses are due to bad financial management or bad economic events or both. No one will deny that administrative incompetence and overt dishonesty are, occasionally, factors in determining which competing bank will fail first in the period of hard times. But it remains to be proved that any brand of banking judgment could have prevented the present depression, although supposedly the depression should have been foreseen by those closest to the statisticians, experts, prognosticators, and bank economists, who turned out to be as ignorant of coming events as the man in the street. Wise bank management could avert bank failures in a community of failing business only if all banks could be closed without loss in advance of the general decline. And to anticipate the decline requires far more prophetic vision than our kings of finance possessed. Obviously, any attempt to abandon fields doomed to depression would defeat itself, since liquidation could not be effected without a nearly total loss of capital.

The idea that wise bank management can obviate depressions is not unlike a notion that life-insurance companies might avert deaths. Banking and insurance are conducted with a view to bearing just so many and no more losses. Banks could not have functioned since the war on the basis of the expectancy of the present depression. Life-insurance companies could not operate on the assumption of a possible plague which might kill off millions of people in one year. The state may be able to maintain demand in such a way as to obviate depressions, just as medical science, combined with the police power, may be able to avert a great plague. The money and debt merchants, however, are not God, the state, or yet the whole people.

Banks in agricultural regions have failed since 1920 by the thousands for the reason that agriculture, as a business, has been a nation-wide and calamitous failure. It did not lie within the power of the bankers to pick for agriculturists a more profitable way of life and put them into it. No amount of banking wisdom or government control of private, profit-seeking banking can ever make a deposit or an investment anything better than a share in the lot of a given community. Bankers buy deposits from depositors and I.O.U.'s from business borrowers. The banker cannot honor his obligation to the depositors if universal adversity makes

*The first of two articles. The second will appear in an early issue.—Editors The Nation.

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it impossible for large numbers of his debtors to meet their obligations. To prevent bank failures, one must prevent business failures. That the bankers cannot do, as they control neither the state, business enterprises, nor consumers.

Bank credit is created and bank debt is incurred on the basis of certain general assumptions. It is assumed that current output of goods and services, current national income in money, and the prevailing price level are going to be maintained within a narrow margin of fluctuation. If, after a given volume of credit is created, total output, total money income, and the price level are all reduced by one-half—that is roughly what has happened since 1929—it must follow that credits and debts will be similarly reduced. The tragedy of this reduction is that it must take place largely through "the orderly administration in bankruptcy," bank liquidations, and mortgage foreclosures. Nothing except a legal hanging could be more orderly than these processes, which are conducted by our courts with careful observance of the "due process of law."

The following figures give some quantitative notion of the extent of the orderly readjustment:

	1929	*1932*	*Percentage of Reduction*
	(Dollar amounts are in billions)		
Total long-term debts in the United States. Estimate of the National Industrial Conference Board	$154	*	Probably about 10
Total loans of all banks at the end of September	$42	$26	37
Index of industrial production. 1923-1925 equals 100. Federal Reserve Board Index	119	60	50
National income, or the value in dollars of goods and services sold during the year	$85	$40	53
Wholesale prices. United States Bureau of Labor Statistics. 1926 equals 100	95	65	32

*In 1932 the outstanding volume of debt had probably been reduced by less than 10 per cent of the 1929 total. A $7,000,000,000 to $9,000,000,000 increase in public debt offsets an equal amount of deflation by bankruptcies and other arrangements.

Long-term debt has not yet been reduced proportionately to the decline in money income, production, and prices. This means that a large amount of now outstanding debt in bonds and mortgages included in the $154,000,000,000 total must be written off sooner or later. Recognition of this probability is reflected in the present quotations of bonds and mortgages. The significance of these coming events is that bank deposits must be scaled down through bank failures at the expense of bank stockholders, depositors, and creditors, or through state assumption of bank liabilities at the expense of the taxpayer. Our banks hold some $18,000,000,000 in bonds and mortgages which, with the permission of the Comptroller of the Currency and the State bank superintendents, are being carried on balance sheets at the now fictitious values of four years ago. To write off only 20 per cent of present bank assets of over $45,000,000,000 would wipe out the total capital and reserves, amounting to about $7,000,000,000, of all our banks. The impairment of assets, of course, is much greater than 20 per cent.

During the year ended June 30, 1932, according to the report of the Comptroller of the Currency, our national banks wrote off in losses $490,000,000, or $139,780,000 more than total profits. For the first time in its sixty-three years of operation the entire national-banking system sustained an operating loss, the amount being 4.94 per cent of total capital and surplus of all national banks. During the worst year of the depression of the seventies there was a net profit of 5.48 per cent, and for the panic year of 1893 the average net profit was 4.5 per cent.

My analysis shows why some 6,000 banks have failed during the depression, why others are sure to fail, and why still solvent banks are feverishly converting commercial loans into government bonds. It also shows why the banks have already borrowed $600,000,000 from the Reconstruction Finance Corporation and why government assumption of the banking function is ultimately inevitable in this crisis. The banks cannot take the losses incidental to the suspension of half the productive activity of the nation. And I venture to prophesy that the American taxpayer cannot take these losses of the banks and insurance companies unless the government uses the power of the state to restore economic activity to a level which corresponds with the existing debt structure.

The hope of meeting the crisis of nation-wide insolvency by the expedients of further banking concentration and branch banking is pathetic. The performances of the super-creations of Insull and Kreuger, sponsored by the best big bankers, warrant no confidence in mere size. The well-run $3,000,000,000 United States Steel Corporation had an operating deficit of $91,000,000 in 1932 and its rate of losses is increasing. The Bank of America National Trust and Savings Association of San Francisco, controlled by Giannini's Transamerica Corporation, our premier billion-dollar chain-bank experiment, had to borrow $64,900,000 from the Reconstruction Finance Corporation. A bank chain of 146 branches had to close last month in Michigan. There is no evidence that larger bank chains would change fundamental business trends for the better or prove wiser than small unit banks. Bigger and fewer banks mean bigger and fewer failures, or failures so big that they are not allowed to close the banks but are made the liability of the taxpayer and the cause of a currency devaluation.

Our present banking system does not pool our banking resources in a few nation-wide chains. We have at present some 19,000 independent or semi-independent unit banks. From the nature of this system it follows that each bank must react promptly and thoroughly to changes in the fortunes of its respective community. This system has the possible merit of making local bankers men of initiative in their community rather than employees or agents of chain-store banks. The system also gives to a few large banks of New York a higher degree of liquidity and immunity from the first impact of the depression than can be enjoyed by smaller banks. This is necessary in order to enable the New York banks to meet the demands for immediate withdrawal of deposits by smaller banks.

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The statement that foreign banking systems have had fewer bank failures than our own may be technically correct but it is substantively untrue. The nineteenth century recorded numerous failures of great bank chains in Europe and Australia. In the post-war period the large bank systems of Britain, Germany, Austria, and even France have been sustained only by unlimited and constant state aid. Canadian banks pay off depositors with their own paper money and not with gold or notes convertible into gold. The Canadian dollar recently touched 83 cents. The Bank of England lost hundreds of millions of dollars in 1931 trying to save the banks and the gold standard. So far it has kept the British banks open by abandoning the gold standard and letting the pound sterling depreciate by one-third of its par value. We have preferred to preserve the gold standard and let 10,000 banks close in thirteen years. It should not be deemed an achievement to keep banks open with the government printing-press or the Reconstruction Finance Corporation—although the R. F. C. has not done it. But it is incorrect to attribute to big banks saved by the state the virtues of solvency lacking in small banks of farmers which have not been so nursed.

The Glass bill, against which Senator Long filibustered so courageously, authorized State-wide branch banking for national banks. As finally amended, the bill authorized branch banking for national banks in States which permitted branch banking for State banks. The Glass bill also provided for the setting up of a liquidation corporation to buy the assets of insolvent banks. This corporation would receive from the United States a gift of $125,000,000, from the surplus of the Federal Reserve banks some $65,000,000, and from the member banks of the system a capital subscription of about $65,000,000. The bill does not attack fundamental problems, but strikes at weak points, such as the security affiliates of the large banks. (These affiliates enabled the big banks to make money during the boom while the honestly run country banks were failing by the hundreds.) The Couzens bank bill merely enlarges for six months the discretionary powers of the Comptroller of the Currency with a view to meeting the supposed needs of the Michigan bank situation.

Those who blame individual moral turpitude for financial ills may think their case is proved by the disclosures of the Senate Committee on Banking and Currency, particularly in its investigation of the National City Bank and the National City Company, both owned and operated by the same persons. Charles E. Mitchell and Hugh B. Baker, after the exposure of their manipulations, said that they had been mistaken, that they were sorry, and that they would not do it again. A few days later they resigned. But are these bankers any more to blame than their reputable directors, who knew and approved all the acts of management, as is established by the records? Or than the reputable downtown attorneys who passed on the legality and propriety of all important acts? Or than the federal Comptroller of the Currency and the New York State Superintendent of Banks, whose duty it was to know about all and prevent many of these acts? And how about the assenting stockholders, especially those who realized 200 and 300 per cent in profits on the sale of City Bank stock at Mr. Mitchell's manipulated prices?

If Mr. Mitchell did wrong in 1929, why was he not ousted, denounced, and prosecuted then? He is guilty of having shown exceptional boldness, energy, and imagination in the exploitation of a get-rich-quick philosophy which intelligent people have always known to be immoral and impracticable over any length of time. Anyone who accepts this philosophy, as almost all our financial leaders, not excepting Owen D. Young, did in 1929, must, in order to compete successfully, lie to others and to himself, though he may be sincerely self-deceived. In Monte Carlo it is understood that some win what others lose and that the game beats the players. Wall Street assumes impossibly large returns with safety, honor, and public welfare. Bankers, in law and practice, have absolutely no fiduciary relationship to their clients in the recommendation and sale of investments. Like horse traders, they sell on a let-the-buyer-beware basis. If they are to be allowed to ply their trade, the people should be taught from childhood the facts about bankers. Instead, they are taught to ask a banker's advice as to whether they should buy his wares and to treat a salesman as if he were a professional man.

Honest banking would have to be banking for service with the small compensation for management and brokerage which is obtainable over a long period. Laws which would eliminate dishonesty from banking would leave three-fourths of our bankers without a business and reduce the other one-fourth to the role of government officials. The people and big business will prefer today to lay upon such scapegoats as Mitchell, Insull, et al. the sins of a system through which they hope later on to be able to buy bank stock again at 140 and sell it two years later at 560, as Mr. Mitchell enabled a few to do in the late boom. A 300 per cent rise in the market price of a bank stock during a two-year period of falling commodity prices establishes a prima facie presumption of dishonesty.

Bank reforms such as prohibiting the combination of a commercial bank with a security-selling affiliate or requiring bankers to qualify professionally will not reduce dishonesty in finance. Kreuger received abundant accommodation and cooperation the world over from the best commercial banks which had no security affiliates. And Kreuger was universally extolled by respected banking authorities. That wise expert and righteous prophet of business as it ought to be, Sir Arthur Salter, praised Kreuger and his works just a few weeks before the Kreuger scandal leaked out. Where there is a will and a remotely possible way to get rich quick there will be legal and near-legal chicanery which pious profit-seekers will not discover as long as it seems to work, and which they will denounce as soon as it fails.

In final answer to the question, Can the banks be made safe? let me summarize certain conclusions. First, there is no moral right or proved way to conserve savings and receive interest indefinitely in a free market. Second, the banks can be made no safer than a job or a living from a business. Third, the banks, in a free market, cannot control the economic life of a nation, and without a free market the bankers would be the last to be chosen as dictators. Fourth, if a situation has at last arisen in the history of capitalist expansion in which banks cannot operate unless the government pays their losses, then bank credit, like minting coins or printing currency, must become a function of the state, conducted for public welfare and not for private profit. And that would necessarily mean the substitution of some form of state capitalism in place of the present system.

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Protect the Depositor

By NORMAN HAPGOOD

THE amount that any person is allowed to deposit in the Postal Savings banks is twenty-five hundred dollars. There is no reason why the amount should not, at least in this crisis, be raised to twenty-five million, or as much more as anybody has; and to take so simple a step would tend to limit hoarding and increase confidence. Such a move would not be isolated. It would recognize a principle that sooner or later—and probably soon—will be recognized anyway: that the body which has the power to inspect and control the banks should assume the risk of their soundness or lack of it. Moreover, it would be an entering wedge for a still larger principle. To those capable of realizing that we are now witnessing the end of an era, it is clear that anything like the existing debt structure cannot exist in the new era which we must build. Yet, unless we are Marxian in thought, we must contrive some method by which the individual may be able to save, and by which he may safely invest his savings.

Banks as we know them will disappear, since they represent a system of borrowing that will be cut down to a remnant. Bonds and stocks will be greatly reduced. Where, then, can the thrifty man turn for safety? He should be able to turn to the one great creditor that has the power to protect his savings, when such power exists at all. He should be able to buy government bonds and annuities from the government, and he should be able to do all of his banking with the government. There is no reason whatever why he should not almost immediately, as part of the restoration of confidence, use the national government's savings banks without limit. That it would be better to invite the public to turn over its money to the savings banks of the government than to guarantee deposits put by the public directly in a multitude of banks, is obvious.

It is possible, as it has been for years, for an observant youth to read on a banknote such words as these: "First National Bank of Blank, United States Depositary." The words are no longer always there, but the fact continues. The ingenuous young person usually imagines that if the bank is sound enough to receive the money of the government it is sound enough to receive his. But he is mistaken. The effect of the action of the government on the safety of this youth's money is precisely the opposite of what he conceives it to be. By the terms of deposit the claim of the government has priority. If there are not enough assets, the government takes what there are. The poor youth is, unknowingly, in the position of a second mortgagee. The government refuses to share the risk which it is its special business to prevent and which it has special powers to prevent.

There has been much criticism of hoarding, and also of starting runs on banks. When a widow, an old man, or anybody else helps to start a run, what is he at bottom doing? He is helping to prevent the United States government from getting money from him under false pretenses. That is the case wherever the bank in question is obligated to pay money to the government, in any form or for any purpose, in preference to paying it to depositors.

The large growth of security companies has meant the attempt to substitute material things for established character as a basis for credit, and the present breakdown shows that it cannot be done. From the point of view of civilization nothing is more regrettable than the disappearance from the scene of the elderly man who, in the days of our grandfathers, was in a position of trust because for a lifetime he had proved himself worthy of trust. The substitution, for him, of the younger man whose asset is that he can get up more steam, crowd in more mere volume of business, is one of the false values that are bringing us down. A large percentage of the security companies are essentially insolvent today.

A few weeks ago a New Yorker associated with one of the big combinations called trusts paid a visit to Washington. To a friend of mine he made a statement to this effect: "I notice that Mr. Justice Brandeis has recently permitted a new edition of his book, 'Other People's Money,' to appear. This presumably means that he is not unwilling to be identified, now that he is on the bench, and in the present circumstances, with the opinions on banking reforms put forward by him twenty years ago. If that is the case, why would it not be a good thing for President Roosevelt to ask him to head a committee to recommend the changes needed, immediately as well as in the end?"

"But the man you are quoting," I said to my friend, "is a passionate conservative."

"Yes," was the answer, "he may be passionately conservative, but he at least thinks that the captains in charge of our system should be honest."

The astute reader will, of course, immediately reflect that there are other points in the crumbling social structure at which a similar test of the relation to one another of government regulation, government money, and private money will have to be applied. The railroads stand plainly in the foreground.

One of the objections to government ownership and operation of railroads, banks, and other utilities—the talk about discouragement to private enterprise—has completely lost its meaning. Our breakdown is the consequence of the search of surplus capital for grounds on which to disport itself. Likewise, the popular theory that rich men were of social use because, not being able to eat up the whole of their incomes, they put the rest into extending production has now become a sorry thesis. If confidence were to come back tomorrow, there would be plenty of effective credit for our needs. When confidence does come back, the danger will not lie in any shortage of capital, credit, or means of production in general. The danger will lie in our return to the kind of "private enterprise" and the kind of extension of business that have pulled down the world. What we need now is—and happily it has become almost a commonplace—more stabilization, security, distribution, and peace; this will be attained not in one step, but in many; and one of the first and easiest steps is to conduct a large part of our banking with the one creditor who represents us all.

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Marxism—Dogma or Method?

By SIDNEY HOOK

ON March fourteenth fifty years will have elapsed since the death of Karl Marx. Yet his doctrines command more influence today than the social philosophy of any of our contemporaries. Indeed, history provides no parallel to the rapidity with which Marx's ideas have penetrated the consciousness of the masses throughout the world. It took Christianity centuries to win one people; and at the point of its greatest development it was essentially a Western phenomenon. Marxism, however, may be regarded as the first truly international movement in culture and politics. From its teachings have sprung the guiding principles of the Russian Revolution and the multiform policies of the Russian state. Since 1875 it has been the strongest ideological influence upon the European labor movement. Throughout large sections of China, especially among the younger generation, Marx and Lenin have undermined the spiritual authority of Confucius. In Japan the government has been compelled to recruit a special corps of anti-Marxist lecturers to counteract the spread of Marxism in secondary schools and universities. In the United States, where, until 1929, Marx's ideas were treated with academic condescension as strange creatures from the intellectual underworld, they have emerged from the study and party council to the streets, the factories, the daily and literary press.

In view of the rising tide of social discontent in Europe, Asia, and America, Karl Marx bids fair to become to the modern world what Aristotle was to the ancient and Aquinas to the medieval. With a characteristic difference. Whereas both Aristotle and Aquinas summed up their cultures, carried them, so to speak, to their ideal fulfilment, Marx sought, on the basis of the self-generated antagonistic tendencies in bourgeois society, to *transform* the existing culture. As distinct from all traditional philosophies of acceptance, his is a philosophy of social revolution. This marks his ideas off not only from the past, but from all contemporary forms of social criticism.

Reformists may tilt with reactionaries; progressives of all varieties may engage in blistering polemic with conservatives and with each other; enlightened liberals and humanists may heatedly clash over the nature of man, culture, and values. But these differences appear to be trivial in the light of their common, even if ununited, opposition to a doctrine which challenges the belief they all share: namely, that the ills of capitalist society can be cured either by legislative enactment or by dictatorial decree, by greater efficiency or by greater humanity, by moral exhortation or by scientific fact-finding—in short, by any method save by transferring political power from the class which owns and controls the means of production to the class which lives by their use, or starves by their non-use.

The fact that Marx's philosophy is historically conditioned by the decline of bourgeois society, and class conditioned by the interests of the proletariat, explains some important features of his thought. He projects no Utopias. Only the most general outlines or, more strictly, conditions of Communist culture are indicated in Marx's writings; the detailed construction is left to the experimental processes of a society freed from class rule. His central concern, theoretical as well as practical, was the preparation of the international working class for the conquest of political power. All his studies converged upon this problem. It provided the starting-point and the criterion of relevance in his objective analysis of the economic tendencies of capitalism. His social psychology was developed from his active participation in the class struggles of his day. His theory of the organization and historical development of culture in terms of the way in which human beings make their living was a hypothesis suggested by his analysis of the contemporary conditions under which successful revolutionary action is possible. Whoever overlooks this unifying principle of Marx's thought can understand neither the man, his achievements, nor the primary source of his influence. This is what Engels meant when he declared at Marx's open grave at Highgate Cemetery: "Before all else, he was a revolutionist."

This is not to assert that the truth of Marx's theories depends upon whether one accepts Marx's class bias. Sombart, Max Weber, Troeltsch in Germany; Beard, Veblen, Hobson, and Tawney in England and America—"bourgeois" thinkers all—have taken over and developed many of Marx's insights. This does not make them Marxists—or even Socialists. What is asserted is that the very meaning of Marx's doctrines cannot be dissociated from his revolutionary objective—and that taken out of this context of class motives, ideals, and action, they can no more be understood than the prescriptions of a physician can be understood without reference to an implicit, regulative ideal of health. The refusal to relate Marx's "objective" analyses to the "subjective" class purposes of the proletariat, which by achieving the social revolution abolishes all classes, has led to the mischievous myth that Marxism is an objective science which can demonstrate both the inevitability of communism and its inherent moral superiority.

The question whether Marxism is an objective science, free from all value judgments and strictly monistic in methodology and assumption, is more than an academic matter. For if it is believed that the nature of society is such that by the development of immanent economic processes communism *must* be realized, that history spirals toward the classless society almost in the same way as the acorn develops into an oak, then human energy becomes a superfluous flourish in a mechanical system of socially determined forces. A theory of economic predestination replaces theological predestination, and the mode of economic production, self-determined, self-sufficient, and self-evolving, plays the same logical function in history as the will of God in the old theodicies. In moments of danger and possible defeat, Marxists of this persuasion make invocations to "the objective development of productive forces inevitably working toward communism," as a pretext for inactivity in waging the class struggle, or as a cloak to cover the ignorance which can only be cured by public confession. On this view it becomes a mystery why Marxists should engage in any political activity, especially in the at-

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tempt to convert others to Marxism. Their very activity becomes meaningless in terms of their own doctrine.

This difficulty cannot be evaded by admitting that not all social behavior can be reduced to the laws of physics or biology. For either the specific resultant of the interaction of human wills is determined *in advance* by socio-economic laws or it is not. If it is, then for all human purposes we have not escaped fatalism, since no matter what you or I or anyone else does or thinks, the far-off event toward which all social creation is moving is bound to come to pass. If this is not determined in advance, some other factor or factors which are relatively independent of these laws (but not therefore uncaused) must be introduced, and the strict monistic determinism of the system is shattered.

This conception of Marxism as a monistic, reductive science of social behavior was the official "orthodox Marxism" of the Second International. Logically it was committed to the belief in a block-universe in which class-consciousness and class action had no more influence upon the great historical pattern which was unfolding itself than sparks thrown off by a rotating wheel upon its motion. Where, under pressure of hostile criticism, the existence of plural historical factors was admitted, as well as causal interaction between consciousness and social institutions, orthodox Marxists refused to surrender the notion that communism was inevitable—a surrender which was logically entailed by their admissions. From the theoretical postulates of this *science* of Marxism, it followed that revolutionary opposition to the World War in 1914 was utopian, because the war and the war psychology inevitably flowed from the objective constellation of socio-economic forces of the time; it also followed that the Russian Revolution was impossible because (a) the country which is more developed industrially presents to the less developed the image of its own future, and (b) no country can skip a phase of social evolution. Indeed, even after the October revolution occurred, some orthodox Marxists proved that it was impossible. Before and during the war right-wing Socialists throughout the world, in order to make the theory of the Social Democracy square with its acts, called for an abandonment of the revolutionary phrase in its program and an open declaration of social reform. Left-wing Socialists, however, like Luxemburg, Liebknecht, and Mehring in Germany, and Lenin and Trotzky in Russia, had for years sought to recall the Social Democracy to the Marxian philosophy of social revolution. The October revolution marked the final breaking-point in the relations of these two schools, and the Third International was born. Although Communists throughout the world follow the program and tactics of the Third International—in which the tremendous importance of class-consciousness, class-will, and the role of the political party in organizing the revolution is recognized—it is amazing to what an extent their theoretical formulations of Marxism are burdened with the necessitarian ideology of the Social Democracy of before the war. Bukharin and Deborin are cases in point.

The key to Karl Marx's thought is to be found in his lifelong struggle against two diametrically opposed social philosophies—mechanical materialism and romantic idealism. The first could not do justice to the historical and practical character of social relationships or explain how man, determined by his environment as he was, could revolutionize it. The second took two forms. Either it was an absolute idealism, and taught that natural and social processes by an inner necessity would create a society which was objectively desirable—a disguised animism; or it was a subjective and utopian idealism which believed that communism could be introduced at any time in any country independently of the prevailing objective economy.

In his criticism of the idealists Marx performed the gigantic labor of showing in detail how the capitalist system of production generated the necessary conditions of social change. His conclusions concerning the centralization of industry, the concentration of wealth, the decline in the average rate of profits, the squeezing out of the middle class, the existence of an industrial reserve army, the cyclical nature of depressions, have been confirmed even by governmental commissions. Marx's gravest mistake was in not assigning greater values to the temporal coefficients of the process.

In his criticism of the mechanistic materialists Marx insisted that "history is the activity of man in pursuit of his ends," and that human history differs from natural history in that "we have made the former but not the latter." Consequently, no theory which operates with a *monistic* theory of economic causation can be adequate to the creative role which man plays in every historical situation. Without this reference to possible alternatives of action—no matter how limited—there is no historical problem. Mechanical Marxists have never been able to explain Marx's statement in 1870 that "England possesses all the necessary material presuppositions for the social revolution. What it lacks is the spirit of generalization and revolutionary passion." Marx taught that the development of productive forces under capitalism would narrow the range of possibilities of social change to a point where mankind would have to choose between communism and the end of civilization through a series of capitalist wars. As valid today as ever before is Marx's observation in the "Communist Manifesto" that class struggles "invariably end either in a revolutionary change in the whole of society or else in the common ruin of contending classes." Who can now deny that the belief in Marxism makes a difference to the outcome of the historic process?

Despite the fact that America approaches most closely to the Marxian abstraction—the pure capitalist system—only lately has a wide interest in Marx's thought been manifested here. The cavalier dismissal of his doctrines by most American sociologists is natural in view of their class origins, their persistent use of secondary sources, and their conception that social science is glorified fact-grubbing. The revival of Marxism will have to come from American intellectuals outside of the universities. Unfortunately some American intellectuals going leftward have fallen over each other in their efforts to be "orthodox" Marxists. They have swallowed the jumble of mysticism and mechanism which is called "objective science" without stopping to settle the intellectual difficulties which they themselves raised only yesterday. This is unworthy both of Marxists and intellectuals. To be a Marxist demands a long and critical discipline; and to be an intellectual means to judge a conclusion by the quality of the arguments advanced in its behalf. The subject matter of Marxism is not the whole universe, and its method is not the method of authority. Nor does it profess to have the final truth about what it does concern itself with—the theory and practice of social revolution. It is neither dogma, myth, nor objective science, but a realistic method of class action.

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Wanted: Strong Men and Radical Measures

By PAUL Y. ANDERSON

Washington, March 3

WILL there be anything new in the new deal? I feel perfectly sure there will be. Experienced observers invariably judge an incoming executive by his appointments. Thus, four years ago, when Hoover revealed that his Cabinet would contain Mellon, Davis, Hyde, Wilbur, and Mitchell, those of us who knew the ropes in Washington realized immediately that the country was sunk. By the same omen we are led to expect good things of Roosevelt. I have been greatly amused by some of the comment on the new Cabinet. One Wall Street writer hastened to assure his clientele that it was "conservative." A hostile—and ignorant—commentator declared it to be composed of "yes men." Some nitwit of a radio announcer found its make-up very "odd"—and that, mind you, after Doak, Hurley, and Adams. The real tip-off on this Cabinet is very simple. It contains, practically in equal parts, two types of people: (a) strong, independent, and aggressive characters; and (b) personal friends of the President. The selection of Homer S. Cummings to fill the important post left vacant by the tragic death of Senator Walsh is Roosevelt's first major mistake. Only three men measured up to this vacancy. They were Felix Frankfurter, Donald Richberg, and Huston Thompson. The significant fact about the Cabinet as a whole, however, is that the strong, independent personalities are nearly all progressives. To anyone who knows them it is quite obvious that the members of the Cabinet who will exercise a pronounced influence on the policies of the new Administration are Hull, Ickes, Wallace, and Miss Perkins. The others may be expected to follow Roosevelt's lead. Of course, it would have been a stronger combination if the President had followed his inclination to include Donald Richberg and Phil La Follette; the opportunity to strengthen it still exists if it is true that the Cummings appointment is temporary. In general, however, we have no reason to complain. It is the strongest Cabinet of this generation.

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IT needs to be, God knows. With banks and business houses popping all over the country, with the disclosure that private credit has fallen under the control of individuals who can only be classified as criminals, with one-third of the nation's earning power destroyed in a vain attempt to maintain dividends, and with the government's credit seriously impaired in a stupid and futile effort to support toppling capital structures, we need strong men and radical measures. Recent revelations before the Senate Banking Committee shed a brilliant light on the shenanigan which brought on this mess. We learn, for example, that Charles E. Mitchell, as chairman of the National City Bank and the National City Company, declared himself in for a cut of more than $3,400,000 of the profits over a period of three years, while at the same time he was allowing stockholders (although without their knowledge) to assume $25,000,000 of loans which are now carried on the books at a value of one dollar. To be sure, there was hardly a dry eye in the house when Mr. Mitchell described himself as the greatest loser from the decline of National City stock, although the general grief was partially assuaged when it developed that Mr. Mitchell paid no income tax in 1929, in spite of an income in that year of about $1,150,000. Mr. Mitchell helped himself to this measure of relief by taking a "paper loss" of $2,800,000 by selling stock, as he originally described it, to "a friend." Cross-examination elicited two interesting facts: that the "friend" was a member of his family; and that he subsequently bought the stock back. This is the same Mitchell who had the cheek, less than a year ago, to lecture Congress on its delinquencies, and to deliver his opinion on what was wrong with the country. I understand that very strong pressure is being exerted to displace Mr. Pecora as counsel for the Banking Committee in the stock-market investigation. Recalling the comatose condition into which the inquiry had fallen before Pecora revived it, it is difficult to believe that this movement will succeed. If the committee really wants to know the truth, it will keep him. Those who want the investigation stopped contend that "it is upsetting confidence." However, when a boil is ripe, why not lance it? If there is any comic side to this grim spectacle, let us award the palm to Harold Stuart. After describing the methods adopted by Halsey, Stuart and Company to float Insull stock, Mr. Stuart ventured a recommendation. There should be legislation, he said, to prevent this sort of thing. Mr. Stuart seemed perfectly serious. He did not hear the coarse remark from the press table: "Hold me, boys, I'm about to steal something."

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IF Hoover's sensitiveness remained acute to the end, his last days in the White House must have been his happiest. Those who rejoiced over his going were content to give silent thanks, while those of his admirers who remained seized the occasion to become lyrical. In the current number of the *Saturday Evening Post* William Allen White debates the question whether Hoover was "the last of the old Presidents or the first of the new." I say debates, although at numerous points the Emporia Evangelist is so overcome by the knowledge of his hero's fate that he simply breaks down and bawls like a calf. Accepting the doubtful premise that such a division is proper, it should be apparent to a less emotional observer that Hoover belonged to neither class. The Baltimore *Evening Sun* states the case aptly when it suggests that the Hoover Administration will be remembered as one of those eerie scenes in a musical comedy in which the stage is illuminated with a pale green light, and fantastic figures move among unearthly surroundings to the sound of weird music. Certainly there never was anything like it before, and if history has any lesson to teach there will be nothing like it

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again. Already it recedes into the past with all the unreality of a bad dream. Who were these people who for four years controlled the government of the United States? Where did they come from? Was there actually a Doak, a Hurley, a Wilbur, a Hyde, a Dolly Gann, a Richey (or Ricci), a Jahncke, a Joslin? Did we really hear such slogans as "prosperity is in sight," and "business has turned the corner"? Did men in responsible positions mumble about "rugged individualism" and refuse to act while millions of Americans slowly starved? We know it happened, but I venture to say that no lapse of time will make it seem more rational.

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THE compulsion to speak well of the politically dead has no force with me, and I deem it significant that the most eloquent obituaries pronounced over the late Great White Feather afford not a single grain of new information upon which to render a more favorable verdict. White's is a fair sample of the rest. All of them are characterized by the same moony unreality, the same incoherent babbling about an undefined and undefinable idealism, the same entranced obliviousness to established fact, that characterized the public utterances of their subject. Thus, it is stated that Mr. Hoover was "never at heart a plutocrat"—although he signed the Grundy tariff and has praised it ever since. It is said that his "deep conscientiousness" forbade him to use the tricks which politicians employ—although it did not prevent him from releasing the Wickersham report with a summary which flagrantly misrepresented its content. At heart, we are told, he really was a progressive—although he vetoed the Muscle Shoals bill, and never raised a finger to speed the submission of the lame-duck amendment. But what about his humanity? One of his stubbornest fights was waged to keep *human food* out of a drought-relief bill. In the face of mounting unemployment he used every resource at his command in opposition to the Wagner bills which would have prevented a large part of it. Nevertheless, one sentence in White's epitaph impresses me by its restraint. He says: "The picture of the President walking his lonely way on the path of duty needs a little retouching, a few dark strokes, to make it human." Yes, "a few dark strokes" will be needed to "make it human" to those who saw his cavalry, his infantry, his tanks, and his machine-gunners move on Anacostia plain the night of July 28, against the thousands of unarmed men, women, and children huddled there in their damp hovels, confidently believing that a kind government would never drive them out. "Human!" A woman who was to have a child in a month had a tear-gas bomb tossed into her lap. A Negro whose only offense was to stand in his back yard was beaten to the ground and dragged away. A nine-year-old boy who went back for his pet rabbit got a bayonet through his hip. And all this was done to show the country that there was a government in Washington which would "protect property."

The American Legion Versus America

By ERNEST ANGELL

CONGRESS in the short session voted to give to 1 per cent of the people more than 30 per cent of the entire probable revenue of the government for the next fiscal year when it passed an appropriation of $966,000,000 for the "war-disabled, the widows and orphans of the dead soldiers." Fortunately, ex-President Hoover, as one of his last official acts and one of the most creditable in his Administration, refused to approve the appropriation. He thereby defeated the latest attempt by war veterans to raid the dwindling public purse for the largest slice of our taxes—an attempt which, if it had been successful, would have wrecked all attempts to balance the budget. Half of this enormous appropriation had nothing to do with shrapnel wounds, gas poisoning, shell shock, or the children of the dead who lie in soldiers' graves in France or on the battlefields of the Civil War. It had everything to do with the most practical occupation of the Congressman—getting votes back home.

Private Fitzgerald served seventeen months in the A. E. F. He was in action with the tank corps at St. Mihiel and in the Argonne, but returned to civilian life in good health. He says so frankly in his letter to me. "As a salesman my work was not heavy, and I seemed in good health until I broke down completely in 1930 with T. B." Now he draws $40 a month from the government. There are now over 400,000 veterans in this "disability allowance" class who receive a monthly check for a disability which admittedly has no relation to impairment of health from war service.

I know another veteran who contracted tuberculosis before 1926. He was rated disabled, went to a sanitarium for a time, recovered, has the common tuberculosis scar tissue in the lungs, leads his normal civilian life as a city office worker, and draws $50 a month—with a grin. Because his tuberculosis developed prior to 1926, he is "conclusively presumed" to have incurred it as a result of war service, and once on the list, he stays there, through the munificence of a grateful government, for the rest of his life. The latest figures, as of December, 1932, show some 63,000 tuberculosis cases from the years 1917 and 1918 receiving relief at an average rate of $60.90 monthly and an annual cost of some $46,000,000. All these are "presumed" to be cases of war-incurred disease. But ask the next doctor you meet how many cases of active tuberculosis can be definitely traced to a cause existing seven or eight years before the bacillus works an appreciable physical impairment. Your Congressman knows—and cares—much more about the American Legion leaders in his constituency than he does about the causes of tuberculosis.

Private S. was drafted in 1918, served in the United States for three months, was discharged in apparent good health. He enlisted in a police force, and between 1927 and January, 1933, passed four successive rigorous physical examinations for promotion. In 1922 he had claimed tuberculosis disability from "flu," but his claim was not proved and no action was taken. Ten years later, in December, 1932, he renewed his claim, and notwithstanding his police-force rating as in sound health, the Veterans' Administration

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in Washington rated him 95 per cent disabled and gave him an allowance of $85 monthly. This pitiful wreck of a hero is on active police duty, and under the kindly Civil Service preference for "disabled" veterans he goes automatically to the top of the list.

B., former yeoman in the navy, served his country on the Hoboken docks in 1918, where duty compelled him at times to sleep on the boards. In June, 1932, he turns up at the Veterans' Administration with a claim for arthritis. He is found to be 33 per cent disabled, and now draws $28 monthly, notwithstanding a finding of no disability whatever by his employer, the city. As "disabled," he too goes to the top of the list, and gets a promotion and a $1,500 salary increase, in addition to his government compensation.

Private G., suffering in December, 1932, from piles, also from sleeping on the ground—on this side of the Atlantic—gets a 10 per cent war-disability (!) rating and $14 a month.

These last four cases illustrate why "war-disabled" veterans to the number of 328,658 were receiving compensation as of June, 1932, at an annual cost of $189,000,000. France, with over 4,000,000 wounded in the war, is paying modest benefits today to just one-quarter of these wounded. Britain, with 2,000,000 wounded, recognizes slightly less than a quarter as entitled to allowances. The United States, with 234,000 World War wounded, is making payments to 776,000 veterans, almost three times the number of the wounded, proportionately twelve times as many as its late—and wiser—allies. Since 1919 over a million of our own veterans have laid formal claim to disabilities arising from wound, disease, or accident during the war. Talcott Powell, in his recent study, "Tattered Banners," characterizes the tens of thousands who never saw action at the front and came back to civilian life in better physical condition than when drafted, as "sturdy beggars who wore the uniform of their country for a few weeks."

Since the close of the World War the care of our veterans has cost the federal Treasury $6,500,000,000. Yearly the cost mounts. Having provided for every conceivable form of present disability from genuine war service, with every reasonable doubt resolved in favor of the veteran—even to compensation in certain cases for venereal disease—Congress went still further afield in 1930 and voted compensation for permanent disability from any accident or disease incurred in civil life. A careless taxi may today insure you $40 a month and free hospital service from Uncle Sam as long as you live. Last September 44,000 ex-soldiers of the World War were being treated free in government hospitals. Only 10,000 of these men had any disability derived from war service. Not even the actuaries can figure what 4,000,000 veterans will cost the government's taxpayers when they fall heir in middle age to the common ills of the flesh. This particular form of graft takes $100,000,000 a year now, and of course it will cost more every year. Better be a veteran than a taxpayer.

Care and payments in one form or another for nearly 800,000 World War veterans and 400,000 of their dependents now require about $600,000,000 a year, including the constant building of additional hospital facilities. Moreover, pensions are paid to 437,000 Civil and Spanish War veterans, their widows and children, at a cost of over $200,000,000 annually. Finally, Congress sets aside $112,000,000 each year to make up the fund which will be necessary to meet the payment of $3,600,000,000 of the "adjusted service" certificates (the bonus) that will mature in 1945. Now only a little over half of this fantastic sum of a billion dollars a year has any direct relation to wounds and death in battle, war fevers, or accidents. Nearly half a billion represents sheer waste, unjustified payments to those "sturdy beggars," tribute of an obsequious Congress to the greed of former soldiers.

And still the American Legion is not content. It is now insistently fighting for the next plums—outright pensions to widows and children of all soldiers of the World War who have died at any time since 1919 from whatever cause, and immediate full payment of the bonus certificates, which are not due until 1945. No one knows what the widows' and orphans' pensions will cost; perhaps $25,000,000 the first year, but mounting yearly as the veterans die from natural causes—pneumonia, cancer, heart disease, accidents, and ultimately plain old age. The faster the veterans die, the greater the burden will become for the taxpayers of the next and the next generation. This bill passed the House in the spring of 1932 by a vote of 316 to 16, after just forty minutes of debate, but did not reach the President's desk.

Payment of the bonus in 1933 would cost the Treasury over two billion dollars, and open the door to the next big drive—for pensions to every able-bodied veteran of the last war. There are 196,000 former heroes of the Spanish War now drawing $98,000,000 in pensions—$500 a year each. If the 4,000,000 survivors of the World War are put upon the same footing—and why not?—they will take another two billion dollars annually, in addition to the present one billion. It must in fairness be stated that no plan for general pensions to all World War soldiers has been adopted or put forward by the veterans' organizations, but it will be. The history of Civil and Spanish War relief legislation demonstrates that general pensions to all survivors without regard to disability are forced from Congress about twenty-five years after the close of hostilities.

As the facts of the present half-billion-dollar swindle have become known over the land in the past year, opposition has developed to any further extension of benefits, coupled with the demand that payments to the able-bodied and to those whose disabilities do not proceed from a genuine hazard of war be materially reduced or altogether suppressed. President Hoover, wiser than when he signed the 1930 disability-allowance act, recommended a cut of $127,000,000; General Hines of the Veterans' Administration suggested one of $85,000,000. The National Economy League, the chambers of commerce, and smaller groups of veterans themselves have demanded cuts running above $400,000,000. But Congress remains supine, and listens only to the furious opposition of the veterans' Washington lobby to any scaling down of the swollen benefits.

A dozen years ago, in the early years after the war, the American Legion was markedly reactionary, allied with business interests in opposition to "radicals" and the recognition of Russia, and condemning pacifists or advocates of disarmament. Today the Legion stands squarely, except for a minority of members who have not as yet dropped out or been thrown out, for the most money it can get for the greatest number of veterans and their dependents; in so doing it has broken with its former allies in conservative business circles.

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The official *American Legion News and Speakers' Information Service* for January 31 contains streamer headlines: "American Legion Presents Its Case in Congress on Behalf of Disabled," "Payments to Veterans Help Business," "Seventeen Constitute the Big Givers Behind 'Nel'" (National Economy League). Truly the peace-time ex-soldier is more costly than the guns of battle, as the generation yet to be born will learn to its sorrow about the year 1960, when the financial burden of this tribute will reach its peak.

No one would reduce by one cent the benefits given to the war-wounded or the dependents of the war dead. No one has ever suggested it. But the Legion, by a false appeal to sympathy for the "disabled," sidesteps the issue of whether we shall continue the federal-government deficit in order to continue swollen payments and free hospital service to malingerers, to those disabled by the ordinary misfortunes of civilian life, and to every healthy, able-bodied civilian who ever wore a uniform. What will the new President do, or be able to do, to redeem his party's pledges "to accomplish a saving of not less than 25 per cent in the cost of federal government," and "the full measure of justice and generosity for all war veterans who have suffered *disability or disease caused by or resulting from actual service in time of war* and for their dependents"? He must choose between these pledges and the program of the American Legion.

In the Driftway

NEGATIVE values, it seems to the Drifter, are underrated in this country. All of our popular philosophy insists on constructive action, affirmative thought, positive values. We all know the bluster which rascality and incompetence make about what they call "purely destructive criticism" when they feel its sting. Publicity "experts" (the Drifter thinks that word generally should go in quotation marks) teach that one never should make a negative statement; one should tell what is, not what isn't.

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YET the Drifter recalls that he was mightily enthusiastic once about a summer camp in Maine which advertised that it had a lake with no motor boats on it. He did not go there, it is true, but then neither did he go anywhere else. In spite of his name, the Drifter has passed a good many of his days—not the worst either—in not going places. It is one of his favorite recreations. Certain hotels, the Drifter has noted, advertise that they have a radio in every room. Would it not be even more appealing to proclaim: "No radios in any of your neighbors' rooms"?

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BY now we must have reached the saturation-point in the organization of societies based upon a common enthusiasm. The opportunities must be nearly exhausted for grouping persons devoted to skiing, the reform of the calendar, collecting postage stamps, and such, at annual dues of $5. The net sum thus impounded would relieve the depression or pay the European war debts. On the other hand, the reverse process never has been properly exploited. In one of his early stories J. M. Barrie told of two men who found the beginning of a beautiful friendship in a common dislike for rice pudding. There is an almost virgin field for organizing men on the basis of mutual distastes. Adequately directed, it might solve the problem of the unemployed. Think, for instance, what a titanic organization could be enlisted of men who dislike to dress for dinner! It could send a lobby to Washington which would make that of the American Legion look like the Three Blind Mice.

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NOR is the idea unadapted to the Drifter's own trade of word-slinging. What started his train of thought, in fact, was a recent number of the *American Mercury*. The bellyband of the magazine—or whatever is the technical name for the paper sash which is tied around many foreign and a few domestic periodicals—bore the words: "Not a line about technocracy." The Drifter does not know whether the newsstand sale was good or bad and has not inquired for fear that it might present evidence in opposition to his theory. It is much easier, and probably quite as valuable to humanity, merely to go on playing with the theory. Thus a new magazine might be launched with success solely on the promise that it would print no articles by Bruce Barton, while a moribund review might be revived with the announcement that it had obtained the sole right in the United States and Great Britain to exclude the entire literary output of Floyd Gibbons for the year 1933. When the Drifter comes into the possession of the daily newspaper which every toiler for the press expects to own some day, his first act will be to announce: "There positively will be no column tomorrow by Arthur Brisbane." And for the financial betterment of *The Nation* the following offer is suggested to the circulation department: "Annual subscription, $5; without the Driftway, $5.50."

THE DRIFTER

Correspondence

One Doctor's Reply

TO THE EDITORS OF THE NATION:

You say in your editorial on Doctors and the Public, in your issue of February 22, that "too many persons, especially in these desperate times, have been financially devastated by doctors' and hospital bills." I reply that too many persons, in these and other times, have been devastated by landlords' and bakers' and butchers' bills. Why single out the doctor?

You make a point of the fact that the Report of the Committee on the Costs of Medical Care was indorsed by twenty-five medical men on the committee. But these were all the capitalists of the profession, who practice in the upper strata of society, men without knowledge of the problems of the average practitioner or the average patient. These men are as competent to pass upon the problems of the average doctor or patient as the members of Mr. Hoover's countless futile commissions on the problems of the man in the street.

Personally I am of a deep shade of parlor pink. I should welcome the socialization of medicine together with socialization of industry. But I object to the socialization of medicine under a Tammany, or its organization by a profiteering insurance company or under the benevolent paternalism of a Dr. Wilbur.

New York, March 1 MARKS S. SHAINE, M. D.

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Economics and the Press

To the Editors of The Nation:

The greatest obstacle to a public understanding of the real causes of our industrial and business troubles is the attitude of our ignorant, cowardly, or venal newspaper editors, who suppress so far as possible all discussion of the fundamentals of our economic system that make inevitable such conditions as now obtain.

On January 5 Senator Carter Glass declared on the floor of the Senate that so many banks are in such bad condition, owing to their managers having lent their depositors' money on doubtful or worthless securities, that for two years past the Comptroller of the Currency has winked at violation of the banking laws. Only one paper in this city, and none in other cities so far as I could discover by looking over the papers in the Public Library, printed Senator Glass's charge that a high government official was deliberately breaking the law.

I wrote to five city papers, asking whether the charge was true. Not one of them printed my query. The *Wall Street Journal* wrote that they did not regard it as "advisable" to discuss the matter. The New York *Evening Post* refused to print a query as to whether the Comptroller had the power to dispense with the law. The *Herald Tribune* failed to print my suggestion that for the protection of many thousands of bank depositors it should make an investigation into the facts.

Thousands of columns of space for prize fights and the crooked horse-racing racket. Not a word about violation of law in high places.

New York, February 21 Whidden Graham

City Affairs

To the Editors of The Nation:

The City Affairs Committee believes that New York City now has the greatest opportunity in a generation to reconstruct its government. We have persuaded a group of distinguished lawyers and students of city affairs to address interested groups on the various proposals for charter revision in New York City. If any of your readers are interested in holding meetings of groups to which they belong, information concerning available speakers may be obtained from Mrs. C. D. Williams, City Affairs Committee, 112 East Nineteenth Street, New York. Telephone, Algonquin 4-8838.

New York, March 1 Paul Blanshard

Scientific Citizens

To the Editors of The Nation:

Immigration officials at Oklahoma City have added the question, "Do you believe in Technocracy?" to the examination schedule for applicants for citizenship. They are absolutely right. We live in an increasingly complex society founded on technology and science, and the government should take the utmost care to see that prospective citizens are mentally capable of meeting the new situation. The only trouble is that the examination does not go far enough. I should suggest that the following questions be added:

1. Do you believe in Millikan's theory of the origin of cosmic rays?
2. Do you believe that of all the cycles that a mass of gas can pass through between given extreme temperatures, the cycle of Carnot gives the maximum ratio of work performed to heat spent?
3. Do you believe in Henderson's theory concerning the effect of phosphate fertilizers on the pollination of Macintosh apples?
4. Do you believe in Shaw's hypothesis of the cross-linkage of the "J" and "M" chromosomes in Drosophilia spo.?
5. Do you believe Cannon's explanation of catalysis?

Anyone who objected to these questions on the grounds of irrelevancy should certainly be denied citizenship.

Moline, Ill., February 10 Henry Black

The New Scottsboro Trial

To the Editors of The Nation:

This is a cry for help from the death cells of Kilby Prison, Montgomery, Alabama, where eight of the Scottsboro boys are awaiting a new trial. The ninth, who was fourteen at the time of his arrest, is in a nearby jail. The new trial, which is set for this month, offers a ray of hope, but it must be prepared for with vigilant care. All witnesses must be investigated; every vestige of evidence must be tracked down; documentary material must be gathered; all of these must be welded into a powerful defense weapon.

The defense has gained signal victories in having snatched the boys from the electric chair four times and awakened world-wide protest against their execution. But now it is endangered by lack of funds. Already many thousands of dollars have been spent in defense of these boys—dollars made up of the pennies and dimes sacrificed by poor and unemployed workers. Now we call on those socially-minded persons who can do more. Please send your contributions to the International Labor Defense, Room 430, 80 East Eleventh Street, New York City, and send them today. Later may be too late.

New York, March 1 Belle Taub, Secretary,
Scottsboro New Trial Fund

Contributors to This Issue

Lawrence Dennis was formerly connected with J. and W. Seligman and Company. He has also been in the diplomatic service in Nicaragua, Honduras, Haiti, and Rumania, and is the author of "Is Capitalism Doomed?"

Norman Hapgood is the well-known editor and author.

Sidney Hook is assistant professor of philosophy at New York University and a lecturer at the New School for Social Research. His book, "Towards the Understanding of Karl Marx," will be published this month.

Paul Y. Anderson is the national correspondent of the St. Louis *Post-Dispatch*.

Ernest Angell was a captain in the American Expeditionary Force and has been commander of the Willard Straight Post of the American Legion.

John T. Flynn is the author of "Graft in Business" and "God's Gold."

Elbert Lenrow translated and edited "The Letters of Richard Wagner to Anton Pusinelli."

Eliseo Vivas is a member of the department of philosophy of the University of Wisconsin.

Lionel Trilling is a member of the English department of Columbia University.

C. K. Bauer is working on a book on housing and modern architecture.

G. C. Convers has studied psychology and mental pathology at the Sorbonne and in Vienna.

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Books, Music, Drama

Footnote

I SHOULD like to add a footnote to the trenchant and entertaining article on Joseph Hergesheimer which Clifton Fadiman contributed several weeks ago to the pages of *The Nation*. In the course of that article Mr. Fadiman wittily exhibited two indubitable facts. The first of them is that Mr. Hergesheimer concerns himself exclusively with a privileged class. The second is that he has become a very vulgar man, who parades the vulgarity of his tastes and opinions with an obtuse self-satisfaction.

With this demonstration I have no quarrel whatever. Indeed, it seems to me that Mr. Hergesheimer has never been disposed of so completely before. But when Mr. Fadiman implies that the second of the novelist's characteristics is the inevitable result of the first, and when he then seems to reach the conclusion that the defects of the novels are to be attributed to the fact that their author does not concern himself with the injustices of society, I cannot help wondering if this conclusion is justified. Would it not be simpler and safer to say merely that Mr. Hergesheimer is a bad artist because he is a vulgar man? It is not difficult to defend the general applicability of that reasoning by showing that no good art is vulgar; it is less obvious, at least, that no good art fails to deal with social conflict.

To me the case seems strikingly parallel to those cases in which a moralistic critic condemns a bad writer on the basis of his moral improprieties. Of course it happens often enough that inferior novelists or playwrights employ indelicate language and defend unconventional ethics. In such instances it is, moreover, easy to make it seem that the bad writer is bad because of the offense which he gives to convention. But I have yet to find a case where such considerations had to be relied upon to demonstrate the aesthetic defects of a specific work. It has always seemed to me evident that the play or novel was either actually sound as a work of art or that it was offensive in other ways also—that it was also unintelligent, clumsy, or obtuse. For that reason I have concluded that the moral test is irrelevant and unnecessary in literary criticism. For the same reason I conclude that the test of "social attitude" is equally irrelevant and equally unnecessary. No bad artist needs to be damned on such grounds alone; but if one does accept them as sufficient, then one is likely to find oneself in the position of being compelled to discount the worth of some very excellent works.

The case of Marcel Proust is the one which comes inevitably to mind. His interests were extremely limited, and when he refers with affectionate understanding to the lower classes, it is always with a kindly condescension which makes possible an appreciation of their human qualities without exhibiting the slightest comprehension of their economic difficulties. Indeed, the only passage in the whole of "Remembrance of Things Past" which touches upon the possibility of social conflict is that in which the dining-room at Balbec is compared to a vast aquarium whose glass sides may some day be smashed; and even here the purpose seems merely to define more clearly the limitations of Proust's subject matter. Yet the fact that Proust and Hergesheimer are alike to the extent that both accept as justly inevitable the privileges of their heroes does not make them alike in any other respect. Judged by purely Marxian standards their worth should be equal, even though the Marxian might admit a superior technical skill in the Frenchman. But unless one is willing to proclaim that "Remembrance of Things Past" is not superior to "Cytherea" in any really important respect, then one had better refrain from suggesting that the former is bad because its author seems oblivious to the wrongs of the class upon whose backs his heroes ride.

Fortunately, however, it is not necessary to make the suggestion. It is obvious enough that Proust and Hergesheimer differ in respects concerning which the tory and the radical need not disagree. The one is coarse in his perceptions; the other almost pathologically refined. Surely the test which will enable us to discriminate between the two is, as a principle of literary criticism, preferable to the test which would tend to equate them.

To show that a certain quality is absent from certain inferior works of literature is not sufficient to demonstrate that the quality is actually a *sine qua non* of literary excellence. If it were, then it would be easy to prove both that art must be moral and that art must be non-moral. It would also be easy to prove that it must be realistic and fanciful, formal and informal, poetic and matter-of-fact. The real tests of literary excellence are, on the other hand, those qualities which no great work is without, and the weakness of the Marxian approach is inherent just in the fact that its criteria are not qualities universally present in great art. One might have Mr. Hergesheimer's limited interests and still be a great novelist; one could not have the vulgarity of his mind and be more than what Mr. Hergesheimer is.

JOSEPH WOOD KRUTCH

They Done Him Wrong

Upton Sinclair Presents William Fox. Los Angeles: Published by the Author. $3.

THIS book might have been titled "Upton Sinclair Presents William Fox in the Nude." Fox, when he decided to tell his story of how he had been rooked by a group of Wall Street and La Salle Street bankers, might have gone to any one of a score of good publicity men and advertising copy writers currently pounding the pavements. In which event no one would have read the tale. As it was, a kind of impish luck brought him into the hands of Upton Sinclair. Thereafter, under Sinclair's artful management, Fox proceeded to strip down to his conscience, and to trot out upon the stage a cast of eminent financiers and industrialists and lawyers and judges, who also proceeded to strip off their dinner jackets, their judicial robes, their monogrammed undies, their very flesh and bones, and to dance about in their naked souls.

This is an odd book—Sinclair, the arch sheriff at the whipping-post of big business, appearing in the role of an apologist and counsel for one of the fraternity. But the book is not what it seems in this regard. The thing that makes this volume one of the most important and devastating that have appeared in these famine years is that it is not Sinclair's book at all, but Fox's. This is a tale of big-business rascality told, not by a professional

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muckraker, but by one of the most successful of the big-business millionaires of the day. This is Fox's story, not Sinclair's. What Sinclair has done is to record with glee, but with care and accuracy as well as with dramatic gusto, the movie magnate's own account of how he fell into the jaws of a pack of ravening wolves.

This is big business, and no historian of these times and of this singular infamy which we call modern finance will be able to write the story without consulting this narrative. It is the most amazing account of the long, patient, ruthless, relentless drive by a gang of highly respectable racketeers to rob another operator of his millions. The story unfolds in a series of episodes in which Fox is permitted to tell his own story, Sinclair stepping out upon the stage at intervals to explain or correct the tale or, even, to warn the audience against his star.

It is of no importance to record that Fox himself is not altogether the blameless captain of industry he paints himself. The fox is a sly beast, sleeplessly vigilant and cunning. And yet, I have no doubt, if we were to sit down with him in the forest for a chat he might turn out to be as naive as any nun, as he told of his wrongs at the hands of the sheep and poultry he had eaten. This Fox, however, tells not of his adventures amid chickens and chipmunks, but of the bigger foxes and wolves and poisonous snakes which have at various times pursued him. And it is not at all surprising that he should tell of his sufferings with the naivete of a ravished virgin. Fox may be no virgin. But it is written in the lawbooks that even an old battle-ax madam may be raped. And this was rape. Moreover, it is delicious to hear this injured soul as he unravels the melting yarn of how they did him wrong.

The heroes and villains of this piece are not anonymous. Fox names all his enemies. What I am interested to know is how some of these eminent gentlemen will manage to ignore a serious book by a big business man in which they are depicted as rogues, as hypocrites and rascals. If these tales are not true, Fox may now be stripped of his remaining fifteen or twenty millions in libel suits. He may even be put in jail.

For instance, he accuses the former head of a great New York bank of being the secret partner of a man and an enterprise into which the bank poured a third of its capital. He makes innumerable charges against dozens of men of the highest standing. It is shocking to see all these great leaders accused of such cruel and mean-spirited actions. But we rejoice that there are laws in this great country of ours to protect the reputations of these noble citizens.

JOHN T. FLYNN

Ernest Newman's "Wagner"

The Life of Richard Wagner. Volume I: *1813-1848.* By Ernest Newman. Alfred A. Knopf. $5.

A FEW months ago, when the music critic of one of our leading newspapers asked the present reviewer what biography of Richard Wagner was most satisfactory, it seemed impossible to name any altogether acceptable work! With Wagner dead fifty years, one might with reason have supposed that excellent accounts of his career existed in more than one language, and one might further have believed—as many persons apparently do believe—that there remained at this remote date little to add to the story of this greatest of dramatic composers. That the latter supposition was unwarranted will at once be manifest in a reading of Ernest Newman's most recent study of Wagner, the first section of which has been released in commemoration of the semi-centenary of the composer's death. More important still, the present work brilliantly exemplifies the kind of critical "Life" for which there has been increasing need, and promises, with its completion in two subsequent volumes, to constitute our most comprehensive, illuminating, and authoritative—if not actually definitive—presentation of this subject.

It is eminently suitable that this great enterprise should crown the long and distinguished career of Mr. Newman as a musical critic and commentator. He was the first to write of Wagner with "scientific" impartiality in English, and one of the most alert of those who have exposed the misconceptions—unconscious or disingenuous—promoted by partisans and disciples. Earlier studies have been vigilant in distinguishing "fact" and "fiction," and if here and there in this latest penetrating and persuasive commentary it will be observed that Mr. Newman has modified viewpoints expressed previously, the book is a final effort to pass judgment based on an acute understanding of the psychological conditioning which played a part in the development of Wagner's character.

Mr. Newman begins by rehearsing both sides of the recurrent question of the composer's paternity. Then follows a survey of the first half of Wagner's long span of seventy years—an absorbing and beautifully written narrative of which every page reveals a profound command of the complex problems involved in Wagner's career and in the vast literature which has grown up about it. Mr. Newman checks carefully every statement in Wagner's autobiography against the evidence of his letters, the testimony of contemporaries and reputable biographers, and the amplifications of the important discoveries which have been made during the past decade. His conclusions bear out Wagner's own account to a marked degree, and Mr. Newman frequently takes issue with the "official" Glasenapp and even with such open-eyed investigators as Julius Kapp, Wilhelm Altmann, and William Wallace. No statement is ever accepted as fact without a most searching scrutiny, and every fact that is recorded is clearly documented with citations which should prove invaluable to the serious student.

After a sympathetic account of the childhood and school and university experiences, Mr. Newman vividly unfolds the narrative of Wagner's novitiate as conductor in Magdeburg, Königsberg, and Riga, his fruitless "conquest" of Paris, and the vicissitudes of the Dresden Kapellmeister period, in which the patterns of later habits and idiosyncrasies are already clearly evident. Of particular interest is this most satisfactory of all accounts of Richard's courtship of Minna and their early married life. Consideration of the revolutionary activities which caused the flight from Dresden is reserved for treatment later. Much attention, however, is given to the vagaries which occasioned Wagner's incessant debts and to the genesis of the financial crises which abounded from this time on—a subject the consideration of which Mr. Newman emphasizes as being "decidedly more vital," if perhaps less "piquant," than the story of the women in his life. Finally, one cannot too highly praise an invaluable feature of this volume—the two chapters in which are reconstructed for the reader "the musical, economic, and social conditions in Europe during the first part of Wagner's life." Without a knowledge of this background it is impossible to understand the conditions against which Wagner contended and to appreciate the great change in status which he achieved for the composers of the next generation.

It is difficult to speak in restrained critical language of Mr. Newman's masterful accomplishment. Measured beside our considerable productions in the fields of literature and the social sciences, research in musical scholarship in the English language has lagged notoriously behind such research in French or German. Here at last, judging by what we have already been given, Ernest Newman is producing what must be acknowledged everywhere as the finest account of a musical figure ever achieved—and one which will serve as a new and exacting standard for all subsequent undertakings of its kind.

ELBERT LENROW

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One More Christian

The Other Spanish Christ: A Study in the Spiritual History of Spain and South America. By John A. Mackay. The Macmillan Company. $2.

THE reviewer would find it difficult with even twice the space he has at his disposal to list all his objections to this book. Its author, we are informed in the blurb, is a graduate of Aberdeen, a former student at the Princeton Theological Seminary and at the famous Centro de Estudios Historicos at Madrid; he has a D. Litt. from a Peruvian university, is a former professor of philosophy, and is at present a member of the staff of the Y. M. C. A. in Spanish America. But one would be very rash indeed to consider this formidable intellectual panoply a guaranty of our author's intellectual integrity, of his logical clarity, or of the urbane detachment, the freedom from parochial prejudice, which is essential to the trained mind.

One of the most objectionable aspects of the book is its specious intention. The irritation created in the reader by a prose studded with journalistic and revival-meeting clichés is slight by comparison. For the work pretends to be a "study" of the history of the spiritual development of Spain and South America. Obviously, such a study, even if done in a pedestrian manner, would constitute a contribution to scholarship and would be of genuine interest to practical sociologists in North as well as in South America. But the reader soon discovers that this pretended study is no such thing, for, in spite of his claims to objectivity, Dr. Mackay, who in his daily life is a missionary by profession and temperament, reveals himself as a religious propagandist. The "religious problem" of which Dr. Mackay speaks, and which he believes to be the "major problem of the Hispanic world," is not what spiritual and religious forces have played or are playing a part in the historical rhythm of the southern continent. This question is an incidental concern with him. Rather, as one soon suspects and becomes absolutely convinced of when one reads Chapter XII, his problem is to discover how the "Evangelical task" can best be carried out in South America—the problem of how the running wolves of imperialism can be made to pass for the brother-lambs of the "natives."

Like most missionaries, Dr. Mackay reveals a most Olympian condescension underneath the sanctimonious pretense of love for the countries he seeks to "save." One finds also throughout the book, sandwiched between paragraphs of gushy sentimentality, passages which no doubt the author considers analytic and descriptive. Analysis, however, Dr. Mackay never quite reaches, because his interest in propaganda is consistently dominant. In those sections in which he comes closest to it the result is pitiful, since his intellectual tools are antiquated and rusty. The communal ghost of the nineteenth century—the *anima naturaliter iberica,* the "Latin spirit" (of which he makes use throughout the book, but which he finds inconvenient and therefore repudiates on page 260), and the whole discarded paraphernalia of "racial psychology"—is made to explain historical and psychosociological phenomena. But the most lurid way in which Dr. Mackay discloses his incompetence as an analytical historian is by his use throughout the book of the assumption that Catholicism is unethical, unspiritual, irreligious, and socially and politically retrogressive, while Protestantism is a force making for progress, for liberalism, for freedom, for political and social melioration and enlightenment. Those who are neither Catholic nor Protestant, and who are acquainted besides with a more impartial historical view, would regard this interpretation of Catholicism and Protestantism as ludicrous were it not fraught with such ugly practical consequences. Because of his use of it, Dr. Mackay's criticism of the low condition of religious institutions in South America is robbed of whatever force it might otherwise have. For his partisanship is so obvious that the impartial reader, unless otherwise capable of substantiating them, tends naturally to doubt the facts which Dr. Mackay presents. The reviewer does not wish to be understood as implying that Dr. Mackay's book will be entirely ineffective. As scholarship it is inconsequential; but the fact that it has been issued by a reputable publisher will no doubt give it an unfortunate prestige before a large audience.

ELISEO VIVAS

Why We Laugh

The Secret of Laughter. By A. M. Ludovici. The Viking Press. $1.75.

MOST disquisitions on the problem of laughter have been at fault in limiting the field to those qualities and situations which are open to exploitation by art—stupidity, incongruity, humiliated pomposity, and the like. But laughter in its various degrees is the result not only of explicitly "funny" situations, and it is the virtue of Mr. Ludovici's truculent little book that it widens the field to cover many kinds of laughter and provides a useful hypothesis to account for them. This hypothesis is derived from Hobbes, who wrote: "I may therefore conclude that the passion of laughter is nothing else but sudden glory arising from some sudden conception of some eminence in ourselves by comparison with the infirmity of others or with our own formerly." This "sudden glory" with its concomitants of superiority Mr. Ludovici translates as "superior adaptation." Sometimes laughter is an expression of actual "superior adaptation"—as when we laugh from the "sheer joy of living" though there is nothing "funny," or at nonsense which frees us from the tyranny of logic, or smile when we meet a friend and are strengthened by his presence. Sometimes it is a defensive symbol of "superior adaptation" or a desire for it—as when we meet an enemy and laugh, or when we are humiliated or embarrassed.

The genesis which Mr. Ludovici offers for this gesture of superior adaptation is far less satisfactory than his hypothesis of the meaning common to all kinds of laughter. At a hint from Darwin, he has traced it to the animal snarl—the showing of teeth, which he makes synonymous with laughing. For, he contends, the showing of teeth is, with animals, the warning assertion of power, and it is the constant and essential characteristic of all kinds of laughter. In this way Mr. Ludovici seeks to establish further the predatory nature of laughter which his phrase "superior adaptation" implies. But the whole question of animal and primitive-human gesture is so subtle (as a reference to Sir Richard Paget's "Human Speech," with its gesture hypothesis of speech, will show) that this theory is on the face of it too simple. For one thing, as Paget mentions, apes seem to have the use of the smile as an ingratiating gesture (Mr. Ludovici, by the way, does not explain the servile smile) quite apart from the frown. Again, the convulsions of the belly and diaphragm which sometimes accompany "showing teeth" are not explained by the snarl hypothesis. They would seem to have some connection with the *suddenness* which Hobbes stresses but which Mr. Ludovici slurs. His suppression of the reflexive nature of laughter—his explanation of hysterical laughter, of nitrous oxide laughter, and of tickling laughter as being obscurely the results of "superior adaptation" is notably weak—is a serious flaw in the hypothetical genesis.

From his discussion of its nature and genesis Mr. Ludovici goes on to an analysis of laughter as a symptom of modern culture. His estimate of the role of humor in modern life, though not especially original with him, is substantially correct. He finds that it has been given an unprecedentedly exaggerated

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position, that, indeed, a sense of humor has become the *sine qua non* of good character: Chesterton has even required a humorous Christ. Laughter is not the only expression of superior adaptation but it is the easiest; through it one escapes the necessity of adaptation by more difficult means. It thus becomes the anodyne for a confused civilization (or class?) and a force for inaction or reaction. LIONEL TRILLING

Towns Should Be Towns

Town and Countryside: Some Aspects of Urban and Rural Development. By Thomas Sharp. Oxford University Press. $4.50.

COMING as it does at the height of general English satisfaction with the million and a quarter small dwellings constructed since the war with government assistance "on garden-city lines," and at the beginning of what promises to be a strong movement toward the preservation of the English countryside, this book, severely criticizing the one and passionately urging the other, has a definite timely significance.

Mr. Sharp's thesis, when stated in its simplest terms, is a just one. Town as town is one thing, and country as country is another. Each has its own inherent functions, aesthetic qualities, virtues, and amenities, and all good planners respect them as separate identities. It is also true that, whether or not town and country may ever be successfully merged into a new identity (a possibility which the author denies and the present critic considers dubious), the new form has certainly not been achieved in the large body of recent English housing, even though it spreads itself out over the countryside at very low densities—the legal maximum in England being only twelve houses to the acre. It is unfair, however, to blame the original creators of the garden-city idea, as Mr. Sharp does, for the fact that "garden-city lines," under governmental aegis, mean merely low-density suburban housing. Letchworth and Welwyn, the only real garden cities, are as a matter of fact the outstanding and almost the only English examples of efforts at recentralization and community integration.

Mr. Sharp does, for the most part, distinguish between the virtues which one may expect from a consciously planned new town and those which adhere, as a picturesque patina, to an ancient planless village. The photographs of dignified and urbane old squares which he uses for object lessons are well enough selected. But there his imagination stops, and the future of English architecture, urban or suburban, remains as vague as it was before. As to rural planning, the author's advocacy of "by-passes" and of respect for the "normal English scene," as well as for the legal "beauty-spots," and his hatred of roadside advertising and indiscriminate widening of country lanes into often unnecessary "arterial highways" are well supported by his illustrations.

Mr. Sharp is no liberal. He despises democracy, and implies that all the old virtues—rural and civic—were the result of autocratic control and aristocratic taste. It is the more interesting, therefore, to find that the only concrete proposal for preserving rural England which he can think of is state ownership of most of the land.

The book as a whole is less important than its thesis deserves because of the limitations inherent in the author's conservative background and his rather sentimental point of view. For one thing, he persists in considering England—whose countryside is "so national and so lovely"—as an entirely special case. And for another, he remains either ignorant of or indifferent to the innumerable Continental experiments which might have bolstered up his argument and carried it to more dramatic and significant conclusions. C. K. BAUER

Morals and the Child

The Moral Judgment of the Child. By Jean Piaget. Translated from the French by Marjorie Gabain. Harcourt, Brace and Company. $3.75.

IN undertaking this study Piaget did not set out to prove a point. For the first part he selected the simple game of marbles, because he saw here, ready at hand, a complete ethical system accepted and practiced by all children. He mingled in their games as if he were doing it for the sake of the game only. Thus he skilfully drew out from them their actual practice of the rules. As he played, he questioned them to find out their consciousness of rule as differentiated from practice.

In general, practice and consciousness increased in stability with age. To the younger children these rules had always been thus. They had been set down by the older children, by the parents before these, and by God farther back. They could not be changed even by mutual consent. Here we have the consciousness of what Piaget terms a morality of constraint, the respect of the inferior for the superior. As the child grows older, however (eleven to twelve years), there comes into the game more stability of practice, more definite codification; and as to consciousness, there develops a sense of mutual agreement, reciprocal respect, equality—the morality of cooperation, as Piaget calls it.

These two conceptions—two moralities alongside each other, and the gradual shift from one to the other with increasing age—are evidenced throughout the book. Piaget discovers this apparent rule of moral growth in the child's idea of responsibility, punishment, and the sense of justice. In this part of the study he tells the children short simple stories of wrongdoing and of the punishments imposed by adults, and then questions them on responsibility and on the fairness and efficaciousness of the punishment. It is amazing and fascinating to see how a little story and some skilful questioning will invariably bring out the fact that as the child grows older there is a moral growth from practice and consciousness of a one-sided morality of constraint to one of reciprocal respect and cooperation.

Is this discovery of any particular significance or is it simply an ascertainable fact from which no valid principle can be evolved? Piaget considers it of great importance, for it points to the obsoleteness of an educational system based on compulsion and expiatory arbitrary punishment within which there can be no real moral growth toward autonomy, inner discipline, and a rational morality. It brings home with great force a lesson we have already learned from the experience of our progressive and experimental schools: outside of home, school, and the adult world children form societies governed by social rules in which the source of authority is different from that imposed upon them by their elders. This source is reciprocity and cooperation, not one-sided arbitrary respect. For years, however, neither lay adults, sociologists, nor educators realized the existence of these societies and they failed to take advantage of the principle in their work with children. Certain writers have maintained that all morality has its source in adult society, and that adult authority is thus the source of the moral life of the child. These ideas were thrown overboard by the early practitioners in the field of active and group education, and now Piaget has, as an experimental psychologist, found ample material to disprove them. For it now seems certain that this early one-sided respect is not a stable system, that the tendency is toward mutual respect. As the child grows up he tends to discredit the idea of submitting his conscience to the adult mind, and unilateral respect tends of itself to grow into mutual respect.

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The final chapter on The Two Moralities of the Child is a critique of the theories of certain European writers. It contains indispensable and illuminating material on discipline, punishment, group work, "self-government," and other items related to child morality. But these are educational matters into which I cannot go, first for lack of space, and secondly because the book is an experimental study of morality and not one on education. I want, however, to comment upon Piaget's ingenuity in devising the stories for his experiments, upon his extreme cautiousness about hasty interpretation, and upon his integrity in presenting material and ideas unfavorable to his own. And I must add due praise to Marjorie Gabain for an extraordinarily accurate and readable translation.

G. C. Convers

Shorter Notices

Psychology of Sex. By Havelock Ellis. Ray Long and Richard Smith. $3.

A good many facts have been collected since Havelock Ellis published the sixth and last volume of his "Studies." It is partly in order to revise his conclusions that he has written this one-volume manual, but there are other reasons besides. One of them is that the sale of the "Studies" is still restricted; another, that comparatively few people will take the time necessary to read the more extended work. There was, therefore, a real need for a short statement of his conclusions in a form available to the general public, and here it is. No one has studied the subject more exhaustively than Ellis and no one is less partisan or doctrinaire. For that reason there is probably no better introduction to contemporary knowledge and contemporary theories about the physiology, psychology, and hygiene of sex.

Germany Puts the Clock Back. By Edgar Ansell Mowrer. William Morrow and Company. $2.50.

In reaffirming, and buttressing with a great deal of unassailable evidence, the fact that one cannot have a successful revolution without completely exterminating the former political, social, and economic system, Mr. Mowrer has performed a valuable service. He reveals that the Social Democrats and other republican parties, either through ideological weakness or sheer carelessness, allowed the old regime in Germany to keep its roots sunk deep in the courts, the schools, the army, and other branches of the supposedly revolutionary republic. "The republicans could have done anything they wished," the author declares. "They could have abolished the old institutions and created new ones of their own, they could have filled the key positions with faithful followers and eliminated the hostile and doubtful, they could have gone far toward socializing and democratizing business and possession. Yet they did none of these." Indeed, quite to the contrary, upon numerous occasions they sold out to the counter-revolution; twice after the revolution the Socialists delivered the country into the safekeeping of the reactionary militarists. The Socialists have frequently tried to excuse their conduct on various debatable grounds. The only sufficient answer is to be found in Mr. Mowrer's book. Far from having revolutionized Germany, the republicans bungled the job so thoroughly that a large part of the population now wants to turn the clock back, not to 1914, but to 1848.

The Scottish Queen. By Herbert Gorman. Farrar and Rinehart. $4.

Out of what he calls "the remorseless desert of my curiosity," Herbert Gorman has emerged with a biography of Marie Stuart which amply justifies the three years spent in research

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and composition. It is written with abounding vitality, and it places the central figure against a richly tinted background of history. "I cannot assert," writes Mr. Gorman, "that I am impartial, and it would be unfair to the reader for me not to admit candidly that emotionally I believe Marie innocent of atrocious criminal intent." He attempts, however, no hypothetical solutions of those mysteries the clues to which have been irrecoverably lost. Stuart partisans may regret his caution, but they cannot overlook his scrupulous weighing of evidence and his rejection of conjectures. Toward Marie's enemies, "whose characters become a strong point in her favor," he is severe, notably so in the cases of Queen Elizabeth, for whom he can find no good word, and John Knox, whom he holds in particular detestation. Expression of prejudice is confined to the notes and appendices, leaving the text free from auctorial intrusions other than implications of phrase and epithet. To heighten the vivid and pictorial quality of his narrative Mr. Gorman has used some of the novelist's devices, but he has nowhere overstepped the boundary of biography, provided it is agreed that a biographer is entitled to know his subject's thoughts.

Civilizing Ourselves: Intellectual Maturity in the Modern World. By Everett Dean Martin. W. W. Norton and Company. $3.

Mr. Martin diagnoses our industrial crisis as "a phase of the psychological or cultural crisis." He contends that the trouble with the world today is the preponderance of immature intelligence.

> The crisis in industry is the result not of failure in production, but of failure in salesmanship, distribution, and politics. In production men have long been using mature intelligence. In the other aspects of industry, they have either been obliged to appeal to immature intelligence, or have themselves not risen above this psychological level. The same defeat of mature intelligence by adolescent mentality is evident in political affairs.

He compares our sad state with an ancient civilization overthrown by a barbarian invasion, with the difference that our invasion has come from within. The gradually rising tide of mental immaturity is threatening to submerge the mentally mature minority.

> Barbarians come in hordes, and I should say that any tendency to ignore or minimize the individual variations among us, to turn us into a horde, is a barbarian tendency. . . . Barbarians tend to destroy what they cannot understand. They are adolescent, almost infantile in their point of view. . . . The conditions of modern life have worked not so much to civilize the barbarian mind as to organize it and make it powerful.

The Art of Henri Matisse. By Albert C. Barnes and Violette de Mazia. Charles Scribner's Sons. $5.

Strongly as one may dislike the finality with which these authors pronounce their aesthetic judgments, one must applaud the intelligence and perspicuity of their reasoning. Not even their wearisome autoptic method of criticism—an "objective" method first introduced and applied by Dr. Barnes in "The Art in Painting"—can make us yawn away the value of this book as a key to better understanding of Matisse. Although the authors start out by laboring the point that art is not a "relapse into mere feeling"—as if to apologize for the lack of it in Matisse—a fine-comb examination of every phase of the master's painting and drawing forces them eventually to concede that the work of this "superlatively able and competent designer" seldom conveys the profounder human and plastic values which we find in Giotto, Tintoretto, El Greco, and Cézanne. "By centering his interest upon decoration he misses the supreme value of painting." A considerable portion of the text is devoted to tracing the numerous traditional and contemporary sources from which Matisse borrowed many of his plastic themes, his delicate pastel-like colors, his modeling, brush strokes, and color-hatchings, and those bizarre tapestry, cretonne, poster, and rosette effects that he brought to his canvases. He drew most heavily, we are told, from Japanese prints, Persian miniatures and textiles, Chinese frescos, Egypto-Roman encaustic painting, Byzantine mosaics, Egyptian polychrome fabrics, and Negro sculpture. His Occidental borrowings are said to come mainly from Manet and Cézanne. Since Miss de Mazia and Dr. Barnes went to the trouble of compiling so comprehensive a critical index to the work of Matisse, they might also have included his sculpture and ceramics. The appendix contains eighteen detailed analyses of important paintings. Every Matisse student will want to consult this book, if only for its wealth of photographic material—151 half-tone reproductions.

My Sister My Bride. By Cyril Hume. Doubleday, Doran and Company. $2.

In "My Sister My Bride" we see a group of artists, including a painter, a theatrical producer, an actress, and a novelist, who are all very much involved with the life of a sixteen-year-old girl. The main theme is that of the love of the painter, Lawrence, for the girl, Nancy, whose qualities, besides her youth and a charming naivete, are her devotion to "beauty" and her wilful blindness to the ugly things in life. To the painter she is the "essence" he has sought and missed in all the women he has loved. Because of the gulf of years between them, Lawrence denies himself the right to make her his. Out of this situation is developed a crisis which is brought to a head when Lawrence's son, an athletic simpleton, also falls in love with the girl. With him Nancy for the first time touches reality, and reality, which has had no place in her scheme of things, destroys her. The book is serious and ambitious, and if we accept Mr. Hume's premises we must admit that he has worked them out to psychologically plausible conclusions. Some criticism may be made of the characterizations of the artists in Nancy's coterie of admirers. As portrayed here, each of these figures represents to the letter the popular bourgeois conception of what painters, actresses, and novelists are like. This almost gives to the book an air of burlesque, which was probably not intended and certainly does not help to make the characters live.

George Washington: die Geschichte einer Staatengründung. Von Walther Reinhardt. Frankfurt-am-Main: Societäts-Verlag.

Walther Reinhardt, German consul at Seattle, Washington, modestly presents this biography as "a small German gift to great America" on the occasion of the Washington bicentenary celebration. In his native land the book has been awarded the 1932 prize of the Ralph Beaver Strassburg Foundation, following the decision of a jury which included Thomas Mann, Albert Einstein, Jacob Wassermann, and Stefan Zweig. It is an admirable study, colorful and sympathetic, and there is abundant evidence that the preparatory research was both scholarly and thorough. Mr. Reinhardt makes no parade of authorities, but he has patently absorbed them all from Irving to Hughes, for he writes from a full fund of knowledge. He is concerned primarily with observation of character reacting to the stresses of circumstance, and from that test of pressures he sees Washington's character emerging as fine metal. "His influence reaches to our time and will be active far into the future. No longer should he be thought of in the role of hero; he has been discovered as the human being, as a thinking, feeling, suffering man of flesh and blood. The aristocrat Washington, who renounced monarchy, became the founder of American democracy. . . . Greatest of all Americans. No other man's work on the Western continent has proved to be more comprehensive, more enduring, or more permanent."

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Music

"The Emperor Jones"

A GREATER portion of the power of Eugene O'Neill's play "The Emperor Jones" remains in the operatic version by Louis Gruenberg, produced by the Metropolitan this season, than often remains in operatic adaptations of dramatic works. Most operas, on the other hand, boast music of some interest or attractiveness in itself—a distinction which Mr. Gruenberg deliberately sacrificed. Almost throughout, the music is entirely subservient to the play, the lines of which are mostly spoken to music instead of sung. The orchestral and general technical competence of Mr. Gruenberg's music cannot be questioned. But there is not enough of it in "The Emperor Jones" to explain the changed effect of that work in its transference to the opera house: one must look beyond the quality of the music to other causes.

O'Neill's play is essentially a tour de force in dramatic design, everything being made to contribute to one great crescendo in intensity. It begins with a quiet, sultry exposition: Smithers extracting an account of what is going on from the old native woman making her escape; Smithers and Jones describing or hinting at what needs to be told of the past and of plans for the future. Jones is the main theme, upon which the entire development section is to be based. Smithers is a subsidiary theme, entirely neglected in the development section and reappearing only in the return and coda. The exposition really ends, and the development section begins, with the first distant beats of the tom-tom. The development is symbolized by the increasing pace and loudness of those beats, which continue uninterrupted to the end of the play. But the play itself has a sort of return in the scene in which Smithers reiterates to Lem, leader of the natives, the confidence of both himself and the Emperor, in the first scene, that Jones is more than a match for his subjects and will never be caught. The coda, consisting of the shooting of Jones in the woods and the bringing in of his body, completes the tension.

The gradual stripping off of all the Emperor's glitter contributes to the force of the crescendo and unifies its episodes. In the original version this denuding of the Emperor Jones is carried through to the end. His silver bullet, made to impress the natives with the idea that ordinary bullets cannot harm him, and saved by him after all the other symbols of his magnificence have been shed, he shoots at the witch doctor's green alligator, and he is left naked of defense to receive the silver bullets made for him by the natives. The horrors summoned up by Jones's imagination and memory, too, grow steadily more fantastic, while the scenes grow shorter and shorter. Every means of plot, mood, tempo, and structure is made to contribute to the increase of tension symbolized by the drumbeats.

Almost all of these devices have been tampered with in making the operatic version. By placing before the sultry atmosphere and slow tempo of the first scene a prelude in which fore-rumblings of the horrors to come are heard, Mr. Gruenberg has begun the tension too early—its let-down in the first scene is unexplained and unsatisfactory. By lengthening certain passages, presumably for musical reasons, he has taken away much of that steady tightening that makes the crescendo. By superimposing music on the drumbeat, which is thus heard only intermittently, he has destroyed the effect of that device. He has altered the end of the play as well: Jones saves the silver bullet for himself and dies in a thoroughly operatic climax, followed by a dance of triumph by the natives. The scene between Lem and Smithers is omitted entirely. The witch

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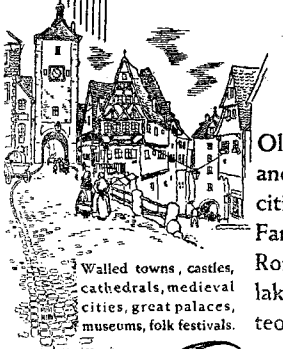

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doctor, instead of being a figure of Jones's imagination, becomes one of the natives. The whole point of the end of the play is missed, and the play's structure badly deformed, for the sake of an unnecessary and excessive simplification.

Even considered as incidental music, Gruenberg's work is definitely a liability, I think. For incidental music should not be just a pleasant texture of sounds running along beside the drama: if it does not clarify situations it is bound to obscure them. In the second scene Jones looks under the first white stone for the provisions he has stored away. Much of his confidence has rested on his assurance of food in the forest and on admiration of his own foresight in hiding it. He rolls back the stone confidently, and the shock he receives in finding nothing under it is his first serious hint of the possibility of failure. It is an important and an effective moment. It needs no underlining. But if a musical accompaniment is provided and it does not underline the incident, the effect is to hide from the listener the importance it would have if no music accompanied it.

Mr. Tibbett's compelling performance as the Emperor Jones needs no praise here. Jo Mielziner's setting for the first scene seems to me pretty far from O'Neill's conception: the throne for Jones is noble in proportion and color, and has nothing of the tawdry, Harlem tinge O'Neill describes. But the entire scenic part of the production is a moving work that contributes very importantly to the force of the performance. Especially noteworthy is the advantage taken of the size of the stage and house. The sets are not merely designs for "The Emperor Jones"; they are sets for the Metropolitan Opera House, and they make its size an asset, give the drama a bigger, more heroic scale than it could have in a smaller house. The rest of the production, too, is so skilfully handled that even with the music and the changes made to accommodate it "The Emperor Jones" is a credit to the Metropolitan.

ARTHUR MENDEL

Films

Miscellany

"ROME EXPRESS" at the New Roxy is an unusual picture if for no other reason than that it is probably the first importation from England which in movement and general technical excellence compares favorably with the better products of Hollywood and other great film centers. Despite the fact that it was produced by the British-Gaumont combination and that its stars are a well-known German actor and a once popular Hollywood actress, the picture has a distinction which is thoroughly English in character. The acting, for example, has all the suavity and naturalness of English acting at its best. The melodramatic interest derives not from any particular stress in the acting or the dialogue but from the development of a single central situation, which happens to be the theft of a famous painting by a group of international crooks, all of whom are brought together on the swift-moving express between Paris and Rome. What distinguishes the picture from its obvious model of a year ago is its superior unity; the various character-types are related and subordinated to the situation better than in Von Sternberg's "Shanghai Express." It is interesting, for instance, to compare the restraint with which Esther Ralston plays her role of the publicity-weary movie actress with the manner in which Marlene Dietrich was made to play a corresponding role in the American picture. At the same time, it must be admitted that the photography throughout is mediocre. If the English directors can learn to combine a better use of this element with the already accomplished style of acting exhibited

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in "Rome Express," the British motion-picture industry is likely to become increasingly important in the next few years.

It may be said of George Cukor's movie version of "Our Betters," Somerset Maugham's somewhat dated comedy of Anglo-American morals at the Radio City Music Hall, that it falls short of being as effective as the stage play revived a few years ago with Ina Claire and Constance Collier in the principal roles. The inanimate posturings of Constance Bennett as the completely non-moral American social climber in London sometimes approach the ridiculous; and the stately Violet Kemble-Cooper is certainly miscast in the role so hilariously played by Miss Collier on the stage. Moreover, in transferring the comedy to the screen, there was too little effort to add any scenic variety or to recreate any of the situations in visual terms. Fortunately, Maugham's lines are pretty consistently witty, the scenes follow each other in rapid order, and the total result is a fairly sophisticated departure for the talking screen.

The second program of the Film Society on Sunday evening consisted of a potpourri of delicacies, new and old, from various lands, the whole calculated to impress on the bewildered spectator a sense of the enormous variety of the screen medium. *Item:* an excerpt from D'Arrast's "Laughter," an American-made picture which seemed to combine the Keystone and early Chaplin technique with the "crazy-fool" humors of Donald Ogden Stewart. *Item:* a light-poem by Eisenstein, which included some of his most beautiful work, although much of it was marred by a too explicit symbolism at the end. *Item:* "Lichtspiel," an example of the film of pure abstractions based on mechanical forms. *Item:* an incredible succession of announcements and advance shots actually made for Hollywood pictures in recent years. After the intermission there was shown an episode from a Pearl White serial made in 1916 and, as the main feature, a first presentation of Pierre Prévert's "L'affaire est dans le sac," an extraordinary visualization of the surréaliste attitude in contemporary French art and literature. So important is this film from the standpoint of its possible influence on the field as a whole that discussion of it must be put off to a later time.

WILLIAM TROY

Drama

A Genius on Main Street

ONE expects a great deal of Katharine Cornell in a play by Sidney Howard. One tends to judge it by exacting standards, and to pay both the author and the star the compliment of not being too easily pleased. Unfortunately, however, neither is at his best in "Alien Corn" (Belasco Theater), and the production is a disappointment despite the high talents and the high intentions there displayed.

Perhaps the initial difficulty is with the theme itself. Mr. Howard has a beautiful title, but the story of the superior soul struggling against American mediocrity is a story which has been told too many times in too many ways. By very dint of repetition in novel and essay and play it has come to have that air of almost fatuous falsity which even a truth too often reiterated tends to assume. Out of mere perversity, perhaps, one finds one's sympathy changing sides; one finds oneself protesting that it is not, after all, so bad as that; and so it is in the case of "Alien Corn." Mr. Howard has a great gift for drawing realistic characters with insight and understanding, but in the present instance it works against him, for the simple reason that these characters soon come to seem more likable than the heroine they are supposed to annoy. Doubtless she had a great deal to bear; but so, one cannot help confessing, did the Middle Western col-

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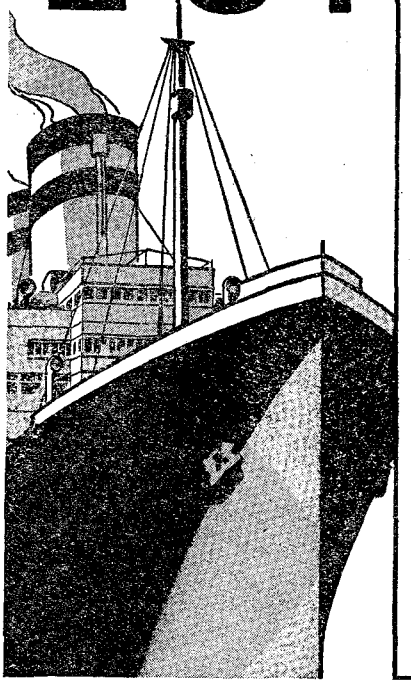

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☐ JOSEPH WOOD KRUTCH says ☐

A SATURDAY NIGHT. Playhouse. Reviewed in this issue.
ALICE IN WONDERLAND. New Amsterdam Theater. Miss Le Gallienne moves uptown with her charming company of fabulous beasts.
ALIEN CORN. Belasco Theater. Katherine Cornell in a play by Sidney Howard. Reviewed in this issue.
AMERICAN DREAM. Guild Theater. Reviewed next week.
BIOGRAPHY. Avon Theater. An intelligent and sinewy comedy about what happens when a cultivated woman of the world tries to choose between a pompous opportunist and an unmanageable idealist.
DESIGN FOR LIVING. Ethel Barrymore Theater. Noel Coward and the Lunts having a good time in a play by the former.
DINNER AT EIGHT. Music Box Theater. Lively but pretentious melodrama by Edna Ferber and George Kaufman.
GOODBYE AGAIN. Masque Theater. Fine performances by Osgood Perkins and others make this farce comedy very funny.
ONE SUNDAY AFTERNOON. Little Theater. Unpretentious comedy about a small town dentist. A surprise hit.
PIGEONS AND PEOPLE. Lyceum Theater. Two hours and a half of George M. Cohan in a play by himself. Well worth seeing.
THE LATE CHRISTOPHER BEAN. Henry Miller Theater. Light comedy from the French completely rewritten by Sidney Howard and charmingly played by Pauline Lord and others. All things considered, it is much the most enjoyable comedy of the season.
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lege community in which she found herself. And of the two, the latter comes to seem the more tolerant, the more sympathetic, and—one is tempted to say—the more broad-minded. At least that community seemed to understand her and her cantankerous old father better than they understood it. The very people whom she scorns seem to devote their lives to trying to get her out of her difficulties, and they receive nothing in return except the various manifestations of an egotism which blandly accepts everything without even bothering to wonder if those who give have any lives or any desires of their own. I have never, I think, been inclined to sentimentalize Main Street. If any local patriotism lingers in my mind, it is well below the conscious level. Yet I could not help feeling that, so far as humanity was concerned, these Middle Western provincials came out pretty well from a comparison with the fine flower of artistic Europe.

Perhaps one would not feel all this if the genius of the unfortunate pianist could be made to seem as real as the devoted kindliness of her blundering friends. Perhaps if one really believed in her tremendous gift, one would more readily grant her the artist's immemorial right to a blind and consuming egotism. But in the very nature of things it is difficult to do more than ask us to assume the existence of those talents which are supposed to justify her now ruthless and now whining self-absorption. We are *told* that she has talents which it were death to hide; but all we actually *see* is a discontented woman who has made herself the center of a band of ineffectual satellites. Besides, Mr. Howard has, I think, mixed realism with romance. His minor characters are real, and so is the whole atmosphere of the small college. But Elsa Brandt, the great pianist and glamorous woman, is conceived out of what seems to me a strangely youthful sentimentality, so that she appears a figure more likely to be born from the romantic imagination of one of the young instructors than actually to be found either in a college town or in that Vienna for which her father longs. Indeed, her unconvincing presence seems almost to spoil what would otherwise be an effective study of a characteristic American phenomenon, and in this particular case I am ready to maintain that, for once, "Hamlet" would be better with Hamlet left out. As for Miss Cornell, I suppose that she plays the character as it is written, but her performance does not escape a certain monotony of woe. She suffers too continuously and with too persistent and too loving a grace. Again I must say that if one really believed firmly enough in her genius one might suffer with her; but as it is, one is likely to find sympathy turning by imperceptible stages into mere irritation. So far as I am concerned Elsa Brandt may go to Vienna—or elsewhere.

Comment on the Theater Guild's new offering "American Dream" must be postponed until next week. Meanwhile there is space for brief approval of Owen Davis's "A Saturday Night" (Playhouse), a pleasantly human little comedy which describes what happens in a typical American home when Father and Mother plan a night out to celebrate the latter's birthday. On that particular evening all the problems of the home converge toward a crisis, and before the evening is over domesticity has been thoroughly defined and expounded. Mr. Davis is not particularly original in his conclusions, and there are moments when wholesomeness, as exemplified by the popular Peggy Wood, becomes a little oppressive. Nevertheless, "A Saturday Night" provides a genuinely diverting evening, and unless I am very much mistaken it will be something of a hit. There are few who will not recognize the truth of the situations either from experience or observation, and few who will not ponder the question proposed by the husband after listening to a bachelor friend's analysis of the husband's defects: "I wonder whether you single men know so much about women because you are not married, or whether you are not married because you know so much about women."

JOSEPH WOOD KRUTCH

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